







**REPORT**  
**ON**  
**SURVEY OF LABOUR CONDITIONS**  
**IN**  
**CLOTHING FACTORIES IN INDIA**  
**( 1965 - 66 )**



सत्यमेव जयते

**LABOUR BUREAU**  
**MINISTRY OF LABOUR, EMPLOYMENT AND REHABILITATION**  
**:( DEPARTMENT OF LABOUR AND EMPLOYMENT )**  
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## PREFACE

Ever since India entered the industrial field over a century ago, the industrial labour in the country and its problems have been the subject of interest. From earlier emphasis on prevention of exploitation of labour, the interest has now shifted to providing them a fair deal and fuller opportunities. Surveys that bring out true conditions of labour provide a sound base to the present day approach to problems of labour in India, in the context of planned economic development of the country.

A detailed survey on a country-wide basis of the working and living conditions of industrial labour was conducted by the Labour Investigation Committee, appointed by the Government of India in 1944. The years that followed witnessed far reaching changes in the set up of the country, its basic policies and national objectives. As a result, the well-being of the working class came to be recognised as an essential factor in the long-term strategy for industrial advance and in the overall economic stability and progress of the country. The adoption of this policy has brought about a new awakening in the ranks of labour and had afforded them much relief in various directions through legislation and other measures.

In order to assess the impact of these measures on the industrial labour and to make an appraisal of their present conditions, a scheme for a comprehensive Survey of Labour Conditions was incorporated in the Second Five Year Plan. Its execution was entrusted to the Labour Bureau. The Survey was conducted according to a phased programme in 46 industries. This Report presents data regarding the Clothing Industry covered under the Scheme during 1965-66.

The present Survey differs considerably from similar investigations in the past in matters of design, scope and presentation of data. It has also certain distinguishing features. For example, it furnishes data separately for large and small establishments in various industries, makes a limited study of labour cost in relation to the benefits and amenities that the workers now enjoy, and provides first-hand information on certain important aspects of labour management relations. Attempt has also been made to collect and interpret data on certain conventional items in a more meaningful way. In the presentation of the data, the effort has been to reduce the information into quantitative terms so as to serve as a bench-mark for purposes of evaluation of changes at a future date. Recourse to general description has been resorted to only where the other type of treatment was not possible.

In a Survey of this magnitude, it was but natural that many problems had to be faced both in planning as well as execution. Most of these flowed from non-availability of up-to-date frames and absence or improper maintenance of records in many establishments. In many cases, the field staff had almost to build up the required statistics from various sources. This naturally imposed a heavy demand on the industrial managements canvassed and the Bureau is deeply indebted to them for their wholehearted co-opera-

tion. The co-operation and valuable assistance received from associations of employers and workers, Labour Commissioners as well as Chief Inspectors of Factories and other officials of State Labour Departments is also gratefully acknowledged.

The debt of gratitude that I owe to the Central Statistical Organisation and the Chief Advisor of Factories for evincing keen interest in the Survey and rendering\* technical advice on various matters is indeed great. I am also thankful to the Employment Division of the Planning Commission for examining the Schedule and Instructions and offering useful suggestions. I am equally grateful to the Bureau of Labour Statistics, U. S. A., Government Social Survey Department, U. K., Economics and Research Branch, Department of Labour, Canada, and Labour Statistics and Research Division, Ministry of Labour, Japan, whose advice was sought on several technical matters.

The primary responsibility for conducting the present round (fourth and final) of the Survey was borne by Dr. J. N. Mongia, Deputy Director, supported by other officers of the Bureau on various statistical problems arising out of the Survey. The field investigations were carried out by Sarvashri R. K. Bhargava, Harijnder Singh, L. K. Kanuga, Subhas Chandra Lothra, Vijay Kumar Lohumi, K. N. Upadhyay, R. N. Tewari, R. K. Pillay, Harish Prakash, A. S. Parmar, Khajan Singh, M. P. Kanaujia, R. L. Khosla and L. D. Khanna under the supervision of Sarvashri Padmakar Deshpande, Mahesh Chandra, R. N. Mondal and Balwant Singh Bhola.

The preliminary draft of this Report was prepared by Shri Padmakar Deshpande, Investigator Grade I, and was finalised by Shri Harbans Lal, Deputy Director, with the assistance of Shri H. B. L. Bhatnagar, Assistant Director, and Shri P. D. Gupta, Investigator Grade I. Shri Bhatnagar was also responsible for supervising the manual tabulation of data. Part of the data relating to Survey of Labour Conditions in industries covered during the fourth round (1965-66) was for the first time, tabulated by the Machine Tabulation Unit of the Labour Bureau, under the supervision of Shri Subir Kumar Gupta, Assistant Director. Sarvashri Mohan Lal and K. C. Sharma, Computers, assisted in computation of data. To all these I am deeply thankful.

The views expressed in this Report are not necessarily those of the Ministry of Labour, Employment and Rehabilitation (Department of Labour and Employment), Government of India.

\*Now designated as Director General, Factory Advice Service and Labour Institutes.

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*Director*

LABOUR BUREAU, SIMLA.

*Dated the 25th January, 1969.*

## CHAPTER I

### INTRODUCTION

#### 1.1. *Origin and Growth of the Industry*

The Clothing Industry in India consists of two distinct branches, *viz.*, the manufacture of wearing apparel and ready-made garments, and the production of hosiery and knitted goods. Although the seeds of the present-day sprawling hosiery industry were sown in the closing years of the last century, it was not till 1940's that the Clothing Industry as such came to occupy any significant place in the economy of India. Prior to the Second World War, the few factories, which were engaged in the manufacture of ready-made garments and other kinds of wearing apparel, were hardly distinguishable from the general tailoring shops. The huge defence requirements following the out-break of the war and stoppage of imports gave afillip to the Industry. During the war-time, factories for the manufacture of wearing apparel were started both in the public and the private sectors. The goods were manufactured generally for the use of the armed forces. It was not difficult for the units to switch over to peace-time production, specially in view of the expanding internal market for ready-made apparel and the opening up of foreign markets to Indian manufactured clothing goods. The Industry has a bright future, especially as there is a large potential market for Indian ready-made garments not only in developing countries but also in advanced countries like U. S. A. and U. K.

#### 1.2. *Location of the Industry*

Statement 1.1 gives details regarding the distribution of Clothing factories in various States during 1965 along with the average daily employment therein. It will be seen from the Statement that, from the point of view of number of factories the largest concentration was in Maharashtra, which alone accounted for about 42 per cent. of the total number of units in 1965. Nearly 16 and 13 per cent. of the Clothing factories were located in Mysore and Madras, respectively. In terms of average daily employment, however, it was Uttar Pradesh which topped. This State alone was responsible for about 57 per cent. of the all-India average daily employment though it had only about 6 per cent. of the factories. Maharashtra came next accounting for about 17 per cent of the total employment, followed by Madras with about 15 per cent. of total employment.

#### 1.3. *Genesis of the Survey*

The first comprehensive survey of conditions of labour in various industries in India on a country-wide basis was conducted by the Royal Commission on Labour during 1929-31. Its report and findings formed the basis of various ameliorative measures. After a lapse of over a decade, i. e., in 1944, the Government of India appointed another Committee, *viz.*, the Labour Investigation Committee to enquire into the conditions of labour in all important industries. The Committee conducted detailed investigations in 38 industries during 1944-45 and, besides a main report on labour conditions in general, published individual reports in respect of various industries. These reports proved to be a useful source of information required for the formulation of labour policy. The years that followed witnessed many changes of



far-reaching significance. For instance, many legislative measures were adopted to improve working and living conditions and several schemes were introduced for promoting welfare and security of workers. The setting up of the adjudication machinery also led to improvement in conditions of work and wages in various industries. Above all, the attainment of Independence by the country during 1947 gave a new status to the working classes. In view of these developments, the Ministry of Labour and Employment, Government of India as well as the Planning Commission considered it necessary that a fresh comprehensive survey of labour conditions in various industries should be conducted so that it may be possible to assess the effects of the various measures adopted in the past and to obtain a precise picture of the existing conditions and problems of labour for purposes of deciding the future course of action. Accordingly, a scheme for the conduct of a Survey of Labour Conditions was included in the Second Five Year Plan and the labour Bureau was entrusted with its execution. The scheme drawn up by the Bureau envisaged coverage of 46 industries according to a phased programme in four rounds. The Clothing Industry was not surveyed as a separate industry by the Labour Investigation Committee during 1944-45, presumably because this industry was not an important one at that time. However, since the Industry has developed significantly now and employs about 30 thousand workers, it was considered desirable to include it in the scope of the present Survey. As such, Clothing Industry was covered as one of the 18 industries during the fourth and final round of the Survey of Labour Conditions Scheme.

#### STATEMENT 1.1

*State-wise Distribution of Clothing Factories in India and Average Daily Employment, therein.  
during 1965*

Sl. No.	State	Number of Factories	Average Daily Employment
1	2	3	4
1.	Andhra Pradesh .. .. .	8 (4.6)	146 (0.5)
2.	Bihar .. .. .	2 (1.2)	834 (2.8)
3.	Gujarat .. .. .	7 (4.0)	256 (0.9)
4.	Madhya Pradesh .. .. .	1 (0.6)	18 (0.1)
5.	Madras .. .. .	22 (12.7)	4,366 (14.7)
6.	Maharashtra .. .. .	72 (41.6)	4,933 (16.6)
7.	Mysore .. .. .	28 (16.2)	1,137 (3.8)
8.	Orissa .. .. .	1 (0.6)	38 (0.1)
9.	Punjab .. .. .	5 (2.9)	298 (1.0)
10.	Rajasthan .. .. .	1 (0.6)	16 @
11.	Uttar Pradesh .. .. .	11 (6.3)	16,840 (56.6)
12.	West Bengal .. .. .	6 (3.5)	298 (1.0)
13.	Delhi .. .. .	9 (5.2)	575 (1.9)
Total ..		173 (100.0)	29,755 (100.0)

@ Less than 0.05

NOTE : Figures are inclusive of Defence Establishments. Those shown within brackets are percentages to total.

Source — Annual Returns received under the Factories Act, 1948.

#### 1.4. Scope and Design

A note given as Appendix to this Report spells out details relating to the sample design and the method of estimation adopted. In view of the absence of a complete list of all Clothing factories in the country, it was decided that the scope of Survey should be confined to the Clothing factories registered under the Factories Act, 1948, but excluding defence establishments. The list of registered factories for the year 1963 was used as the frame except in case of Andhra Pradesh and Maharashtra for which the list related to the year 1962. Since the frame indicated high concentration of Clothing factories in Maharashtra, it was considered desirable to obtain separate information for them. Accordingly, Maharashtra, was treated as a separate stratum. All other Clothing factories scattered in the rest of the country were clubbed together to form the Residual stratum. Earlier investigations had indicated the existence of wide variations in conditions of work and standard of welfare, amenities, etc., in the establishments of different size groups in various industries. It was, therefore, felt that it would be useful to have separate data for establishments of different sizes, and consequently it was decided that for the purposes of the Survey, Clothing factories should be divided into two size groups—large and small. For this purpose, the cut-off point chosen was 105 which was approximately equal to the average size of employment per factory. The sampling fraction adopted was 50 per cent. for large factories and 20 per cent. for small factories.

Statement 1.2 shows the number of Clothing factories together with the number of workers employed therein (a) in the frame, (b) in the sample and (c) in the sample actually covered.

#### STATEMENT 1.2

*Number of Clothing Factories and Workers Employed therein in the Frame Sample, etc.*

Centre	In the Frame*		In the Sample selected		In the Sample Actually Covered	
	Number of Factories	Number of Workers Employed	Number of Factories	Number of Workers Employed	Number of Factories	Number of Workers Employed
1	2	3	4	5	6	7
1. Maharashtra ..	60	2,602	14	728	11 (18.33)	670 (25.75)
Large Factories ..	4	1,197	2	370	2 (50.00)	370 (30.91)
Small Factories ..	56	1,405	12	358	9 (16.07)	300 (21.33)
2. Residual ..	73	3,789	16	1,233	10 (13.70)	1,060 (27.98)
Large Factories ..	4	1,736	2	712	2 (50.00)	712 (41.01)
Small Factories ..	69	2,053	14	521	8 (11.59)	348 (16.95)
3. All India ..	133	6,391	30	1,961	21 (15.79)	1,730 (27.07)
Large Factories ..	8	2,933	4	1,082	4 (50.00)	1,082 (36.89)
Small Factories ..	125	3,458	26	879	17 (13.60)	648 (18.74)

\*Figures are exclusive of defence establishments.

NOTE—Figure in brackets in Cols. (6) and (7) are percentages to the total Number of factories and Worker as given in Cols. (2) and (3) respectively.

From the figures given in the Statement, it would be seen that the Survey ultimately covered nearly 16 per cent. of the Clothing factories in India and about 27 per cent. of the workers employed therein. Since only those factories came in the sample which featured in the frame and as it was not possible to take account of new factories which came into being up to and during the period of the Survey, the information given in the Report should be treated to relate to the factories which were in existence during the period to which the frame relates (i.e., 1962-63) and which continued to exist till the time of the Survey (i.e., 1965-66).

The data were collected through personal visits by the field staff of the Bureau. With a view to testing the schedule and instructions prepared for the Survey as also to impart training to the field staff, a pilot enquiry was conducted in September-October, 1959, before taking up the first round of the main Survey of Labour Conditions Scheme in December, 1959. On the basis of experience of the pilot enquiry as well as the experience gained during the earlier three rounds of the Survey, some major changes were carried out in the schedule\* used for the collection of data in the fourth round of the Survey. For example, information pertaining to absenteeism, labour turnover, pay-period, earnings of 'Production Workers' etc., was not collected during the fourth round as this information was already being collected under other schemes of the Bureau viz., Occupational Wage Survey, Annual Survey of Industries, etc., some minor changes in the block relating to Works committees were also made.

Field Survey for this Industry was conducted during April, 1965, to February, 1966. Hence, the data, except where specifically mentioned, should be treated to relate to this period i.e., 1965-66.

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\*The schedule used for the survey has been published in the Report on survey of Labour conditions in artificial manure factories in India.

## CHAPTER II EMPLOYMENT

The employment in the Clothing factories in the country has been showing a steady upward trend. At the end of the First Five Year Plan (*i.e.*, in 1956), the average daily employment in the Clothing Industry was about 8,400 which rose to 14,000 at the close of the Second Plan period in 1961. During the next four years, this figure more than doubled itself and, in 1965, the Industry was providing employment to as many as about 30 thousand workers.

### 2.1. *Composition of the Working Force*

During the course of the present Survey, in order to ensure comparability data in respect of employment were collected from the sampled units as on a fixed date *i.e.*, 31st March, 1965. On the basis of these data, the total employment strength of the Clothing factories registered under the Factories Act, 1948, as on 31st March, 1965, is estimated to be 8,661. This estimate widely differs from the similar figures collected under the Factories Act, 1948 (*i.e.*, about 30 thousand) for the year 1965. The main reason for the difference between the two figures is that whereas the former does not include data for defence establishments which were excluded for the purpose of the present Survey, the latter includes them.

#### 2.1.1. *Distribution of the Working Force by Broad Occupational Groups*

For the purposes of the present Survey, the internationally accepted classification\* of employees was followed, and accordingly, they were classified into the following categories—

- (a) Professional, Technical and Related Personnel.
- (b) Administrative, Executive and Managerial Personnel.
- (c) Clerical and Related Workers (including Supervisory).
- (d) Production and Related Workers (including Supervisory).
- (e) Watch and Ward and Other Services.

Based on the above classification, the number of workers in different occupational groups is given in Statement 2.1.

The Statement shows that an overwhelming majority of workers (about 89 per cent. of the total) belonged to the group 'Production and Related Workers (including Supervisory)', 'Watch and Ward and Other Services' and 'Clerical and Related Workers (including Supervisory)' constituted the next important groups, each forming about 5 per cent. of the total employment. 'Administrative, Executive and Managerial Personnel' and 'Professional, Technical and Related Personnel' accounted for the rest of the working force. Except in the case of 'Clerical and Related Workers (including Supervisory)', there was not much difference in the composition of the working force as between the two strata.

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\*International standard classification of occupations.

## STATEMENT 2-1

### *Estimated Percentage Distribution of Workers by Broad Occupational Group (31st March, 1965)*

Centre		Total Number of Work- ers (Es- timated)*	Estimated Percentage of Workers					
			Profess- sional, Te- chnical and Re- lated Per- sonnel	Adminis- trative, Executive & Manage- rial Per- sonnel	Clerical and Related Workers (in- cluding Super- visory)	Production and Related Workers (including Supervisory)	Watch and Ward and Other Services	
		1	2	3	4	5	6	7
1. Maharashtra	..	3,654	0.03	1.3	7.0	87.6	3.8	
Large Factories	..	1,843	0.3	1.4	8.1	87.2	3.0	
Small Factories	..	1,811	0.2	1.3	5.8	88.0	4.7	
2. Residual	..	5,010	0.3	1.1	3.2	89.7	5.7	
Large Factories	..	2,560	0.6	1.0	2.1	91.9	4.4	
Small Factories	..	2,450	—	1.1	4.1	87.4	7.1	
3. All India	..	8,664	0.3	1.2	4.8	88.8	4.9	
Large Factories	..	4,403	0.5	1.2	4.6	89.9	3.8	
Small Factories	..	4,261	0.1	1.2	5.0	87.6	6.1	

\*Both Covered and Not Covered under the Factories Act, 1948.

#### *2.1.2. Distribution of Workers by 'Covered' and 'Not Covered' under the Factories Act, 1948*

The Factories Act, 1948, defines 'worker' as "a person employed directly or through any agency, whether for wages or not, in any manufacturing process, or in cleaning any part of the machinery or premises used for a manufacturing process, or in any other kind of work incidental to or connected with the manufacturing process, or the subject of manufacturing process.....". It was, however, observed during the Survey that there was no uniformity with regard to the above definition of "worker" and, consequently, while some units had included certain categories of employees (particularly Watch and Ward and Other Services) among those covered under the Factories Act, 1948, others ended to exclude them. It is estimated that such workers as were not covered under the Act constituted only about 3 per cent. of the total working force. Details of workers 'covered' and 'not covered' in different occupational groups are given in Statement 2-2.

The Statement shows that the proportion of workers not covered under the Factories Act was the highest (60 per cent.) in the group 'Professional, Technical and Related Personnel', followed by 'Administrative, Executive and Managerial Personnel' (about 54 per cent.), 'Watch and Ward and Other Services' (about 42 per cent.) and 'Clerical and Related Workers' (about 4 per cent.) There was, however, no difference of opinion as regards 'Production and Related Workers (including Supervisory)' who were uniformly being treated as covered under the Factories Act, 1948, except to a negligible extent in the Residual Group.

# STATEMENT 2.2

## Estimated Percentage Distribution of Workers By Covered and Not Covered under the Factories Act, 1948 (31st March, 1965)

Centre	Professional, Technical and Related Personnel		Administrative, Executive and Managerial Personnel		Clerical and Related Workers (including Supervisory)		Production and Related Workers (including Supervisory)		Watch and Ward and Other Services		Total	
	Covered	Not Covered	Covered	Not Covered	Covered	Not Covered	Covered	Not Covered	Covered	Not Covered	Covered	Not Covered
1	2	3	4	5	6	7	8	9	10	11	12	13
1 Maharashtra ..	100.0	—	28.6	71.4	98.4	1.6	100.0	—	77.1	22.9	98.1	1.9
Large Factories	100.0	—	24.0	76.0	100.0	—	100.0	—	100.0	—	99.0	1.0
Small Factories	100.0	—	33.3	66.7	96.2	3.8	100.0	—	62.4	37.6	97.1	2.9
2 Residual ..	—	100.0	61.1	38.9	92.5	7.5	100.0	†	48.4	51.6	96.0	4.0
Large Factories	—	100.0	88.9	11.1	86.8	13.2	99.9	0.1	50.0	50.0	96.8	3.2
Small Factories	—	—	33.3	66.7	95.3	4.7	100.0	—	47.4	52.6	95.3	4.7
3 All India ..	40.0	60.0	45.6	54.4	96.1	3.9	100.0	†	57.9	42.1	96.9	3.1
Large Factories	28.6	71.4	57.7	42.3	96.5	3.5	99.9	0.1	66.5	33.5	97.7	2.3
Small Factories	100.0	—	33.3	66.7	95.8	4.2	100.0	—	52.3	47.7	96.1	3.9

† Less than 0.005.

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A further examination of the data has revealed that, of the total estimated number of 8,395 workers covered under the Act in this Industry, 91·6 per cent. were Production and Related Workers, 4·7 per cent. were Clerical and Related Workers, 3·0 per cent. belonged to the group 'Watch and Ward and Other Services', 0·6 per cent. were 'Administrative, Executive and Managerial Personnel' and the rest few were 'Professional, Technical and Related Personnel'. Similarly, the break-up of the total number of 269 workers 'not covered under the Act was 0·7, 6·0, 66·9, 20·8 and 5·6 per cent. for the above-mentioned groups, respectively.

## 2·2. Employment of Women

The Survey results show that during March, 1965, about 37 per cent. of the Clothing factories in the country employed an estimated number of 1,758 women, constituting about one-fifth of the total workers employed in the Industry. Details are given in Statement 2·3.

### STATEMENT 2·3

#### *Estimated Proportion of Women Workers (31st March, 1965)*

Centre		Total Number of Factories@	Per- centage of Factories Employing Women	Total Number Workers Employed*	Per- centage of Women Workers to the Total Number of Workers Employed	Per- centage of Women Workers to the Total Women Workers Employed in the Industry Women
1		2	3	4	5	6
1. Maharashtra	..	50	44·0	3,654	10·1	20·9
Large Factories	..	4	50·0	1,843	2·4	3·3
Small Factories	..	46	44·4	1,811	17·8	79·6
2. Residual	..	54	30·6	5,010	27·7	79·1
Large Factories	..	4	100·0	2,560	51·1	96·7
Small Factories	..	50	25·0	2,450	3·4	20·4
3. All India	..	104	37·4	8,664	20·3	100·0
Large Factories	..	8	75·0	4,403	30·7	100·0
Small Factories	..	96	34·3	4,261	9·5	100·0

@The number of factories given here is different from that given in Statement 1·2. The difference due to the fact that some factories were found closed at the time of the Survey.

\*"Covered" as well as "Not Covered" under the Factories Act, 1948.

It will be seen from the Statement that women were employed more in large factories than in small units. Of the total number of women workers, about 79 per cent. were employed in the Residual Group, while the remaining 21 per cent. were in the factories located in Maharashtra.

About 98 per cent. of the women workers were engaged in production and related processes and the rest were employed as typists, steno-typists, creche attendants, gate keepers, etc. The women employed as production workers were generally engaged on light jobs such as tailoring, particularly hand stitching, hand bag making, embroidery, cutting, sewing and packing of brassiers, button stitching, etc. Tailoring seems to be the most popular avocation of women as about two-thirds of the total number of women workers were engaged on this process. The most common reason given for employing women workers was that they were more apt and suitable for the jobs they were engaged on.

### 2.3. Child Labour

No children were reported to have been employed in any of the Clothing factories surveyed.

### 2.4. Time-rated and Piece-rated Workers

Data were collected in respect of the distribution of "Production and Related Workers (including Supervisory)" by method of payment, i.e., time-rated and piece-rated workers, and the statistics are given in Statement 2.4.

#### STATEMENT 2.4

*Estimated Percentage of Distribution of Production and Related Workers  
by Method of Payment  
(31st March, 1965)*

Centro		Total Number of Pro- duction Workers*	Percentage of Workers		Percentage Distribution of Workers by Sex and Method of Payment			
			Time- rated	Piece- rated	Men		Women	
					Time- rated	Piece- rated	Time- rated	Piece- rated
1	2	3	4	5	6	7	8	
1. Maharashtra	..	3,201	78.3	21.7	82.7	17.3	42.8	57.2
Large Factories	..	1,608	85.5	14.5	85.1	14.9	100.0	—
Small Factories	..	1,593	71.1	28.9	79.8	20.2	35.0	65.0
2. Residual ..	..	4,492	80.2	19.8	85.6	14.4	67.8	32.2
Large Factories	..	2,351	81.0	19.0	95.1	4.9	69.3	30.7
Small Factories	..	2,141	79.3	20.7	80.7	19.3	44.6	55.4
3. All India ..	..	7,693	79.4	20.6	84.2	15.8	62.6	37.4
Large Factories	..	3,959	82.8	17.2	89.2	10.8	70.2	29.8
Small Factories	..	3,734	75.8	24.2	80.4	19.6	37.1	62.9

\*Covered under the Factories Act, 1948.



It would be seen from the Statement that though both the systems of payment i.e., time-rate and piece-rate, were prevalent in the Clothing Industry, payment by time predominated as it covered about 79 per cent. of the production workers. The remaining workers were piece-rated. This was, more or less, the position in the two strata also. Amongst men, who constituted about four-fifths of the total working force, about 84 per cent. of them were employed on time-rate basis and the remaining 16 per cent. on piece-rate basis. So far as women workers were concerned, in Maharashtra a majority of them were employed on piece-rate basis while in the Residual Group they were employed on time-rate basis.

### 2.5. *Contract Labour*

None of the Clothing factories surveyed was reported to be employing any workers through contractors.

### 2.6. *System of Recruitment*

The present Survey has revealed that an over-whelming majority of workers (about 91 per cent.) were found to have been recruited directly by the employers, i.e., recruitment at the factory gate itself accounted for about 78 per cent. of the workers, those recruited through departmental heads formed about 3 per cent. while the rest (about 10 per cent.) had been recruited through personal contacts of the employees. The remaining about 9 per cent. of the employees were recruited mainly through advertisement and interview method. In none of the factories surveyed, recruitment was being made through intermediaries. Services of Employment Exchanges were being utilised by a few small factories in the Residual Group only.

In Maharashtra, with the exception of only about 7 per cent. of the employees in whose case advertisement method of recruitment was followed, all others had been recruited directly by the management. In the Residual Group, about 11 per cent. of the employees had been recruited through advertisement, only 0.2 per cent. through Employment Exchanges and the remaining (88.8 per cent.) direct by the management.

### 2.7. *Employment Status*

With the enactment of the Industrial Employment (Standing Orders) Act, 1946, it has become obligatory for all establishments employing 100 or more workers to classify their employees into various categories of employment status, i.e., permanent, temporary, casual, etc. Information relating to classification of Production Workers covered under the Factories Act, 1948, and employed directly by the managements (i.e., excluding those employed through contractors) into different categories according to employment status was collected during the course of the present Survey. In those sampled factories where framing of Standing Orders was not obligatory or the same had not been framed otherwise, reliance was placed on the version of the management regarding the employment status of their workers.

The Survey results show that about half of the 'Production Workers' were permanent, about one-third were temporary and the rest were casual workers. There was no system of engaging *badlis* or probationers. Details appear in Statement 2.5.

**STATEMENT 2-5**  
*Estimated Percentage Distribution of Production and Related  
 Workers by Employment Status*  
 (31st March, 1965)

Centre	Total Number of Pro- duction Workers*	Estimated Percentage of Workers						
		Perma- nent	Proba- tioners	Tempo- rary	Badlis Workers	Casual Workers	Appren- tices	
1	2	3	4	5	6	7	8	
1. Maharashtra ..	..	3,201	65.6	—	34.4	—	—	—
Large Factories ..	..	1,608	80.1	—	19.9	—	—	—
Small Factories ..	..	1,593	50.1	—	49.0	—	—	—
2. Residual ..	..	4,492	38.4	—	32.6	—	29.0	—
Large Factories ..	..	2,351	23.8	—	20.8	—	55.4	—
Small Factories ..	..	2,141	54.3	—	45.7	—	—	—
3. All India ..	..	7,693	49.7	—	33.4	—	16.9	—
Large Factories ..	..	3,959	46.7	—	20.4	—	32.9	—
Small Factories ..	..	3,734	52.9	—	47.1	—	—	—

\*Covered under the Factories Act, 1948 and employed directly.

It would appear from the Statement that the proportion of both permanent and temporary workers was higher in Maharashtra than that in the Residual Group of factories. Casual workers were employed by large-size factories in the Residual Group only. At the all-India level, more workers were permanent in small factories as compared to large ones.

### 2-8. Length of Service

During the present Survey, a study of the distribution of workers according to their length of service was made in respect of 'Production Workers' covered under the Factories Act, 1948 and employed directly by the managements. The data are presented in Statement 2-6.

**STATEMENT 2-6**  
*Estimated Percentage Distribution of Production and Related Workers  
 According to Length of Service*  
 (31st March, 1965)

Centre		Total Number of Production Workers*	Percentage Distribution of Workers with Length of Service of				
			Under 1 year	1 year and above but less than 5 years	5 years and above but less than 10 years	10 years and above but less than 15 years	15 years and above
1		2	3	4	5	6	7
1. Maharashtra ..	..	3,201	35.3	34.7	20.2	8.6	1.2
Large Factories ..	..	1,608	24.8	44.0	21.1	10.1	—
Small Factories ..	..	1,593	45.9	25.4	19.3	7.1	2.3
2. Residual ..	..	4,492	54.1	22.7	6.2	12.6	4.4
Large Factories ..	..	2,351	62.8	12.0	6.9	14.3	4.0
Small Factories ..	..	2,141	44.6	34.5	5.4	10.8	4.7
3. All India ..	..	7,693	46.3	27.7	12.0	11.0	3.0
Large Factories ..	..	3,959	47.3	25.0	12.7	12.6	2.4
Small Factories ..	..	3,734	45.2	30.6	11.3	9.2	3.7

\*Covered under the Factories Act, 1948 and employed directly

It would be seen from the Statement that about 46 per cent. of the workers had put in less than one year's service as on 31st March, 1965, and about 28 per cent. had put in one year or more but less than 5 years' service. The workers with a record of 15 years or more of service formed only 3 per cent. of the total production workers. The rest constituted the intermediary groups. The proportion of workers with longer length of service i. e., 10 years and above was higher in the Residual Group of factories as compared to those in Maharashtra.

### 2·9. *Absenteeism and Labour Turnover*

As mentioned earlier, during the present Survey, statistics pertaining to absenteeism and labour turnover were not collected because such information had already been collected separately by the Bureau under the Annual Survey of Industries and it was expected that the same could be utilized for this Report also. Since the data for 1964 collected during the Annual Survey of Industries are still in the processing stage, no use could be made of them in this Report.

However, in the present Survey an attempt was made to have a general idea about the measures and steps taken by the managements to reduce absenteeism and labour turnover. Such information collected during the Survey revealed that only about 20 per cent. of the Clothing factories in the country had taken some steps to reduce absenteeism. All these units were located in the Residual group. Generally, the steps taken by the employers to reduce absenteeism were deduction of wages and taking disciplinary action for unauthorised absences. In one of these units, the management had also introduced attendance bonus scheme to reduce absenteeism.

As regards labour turnover, none of the units surveyed was reported to have taken any measures to reduce labour turnover.

### 2·10. *Training and Apprenticeship*

None of the clothing factories surveyed had made any arrangements for training, etc., of their employees.

## CHAPTER III

### WAGES AND EARNINGS

During the course of the present Survey, no attempt was made to collect data on wage rates for individual occupations as well as wage revisions since this information had already been collected by the Bureau under the second Occupational Wage Survey (1963-65).

#### 3.1. *Earnings*

3.1.1. *Average Daily Earnings of Different Categories of Workers*—As mentioned earlier, in order to avoid duplication in the collection of data, information relating to pay period and earnings of 'Production and Related Workers' was also not collected under the present Survey since the same was to be collected under the Second Occupational Wage Survey (1963-65). Since the data collected under the Second Occupational Wage Survey are still being processed, it has not been possible to incorporate the same in this Report. Information was, however, collected for the remaining four categories of workers viz., (i) Professional, Technical and Related Personnel, (ii) Administrative, Executive and Managerial Personnel, (iii) Clerical and Related Workers (including Supervisory) and (iv) Watch and Ward and Other Services. The data collected about average daily earnings relate to workers covered under the Factories Act, 1948, and for one pay period preceding 31-3-1965. Statement 3.1 shows the average daily earnings of the above four categories of workers during March, 1965.

#### STATEMENT 3.1

*Estimated Average Daily Earnings of Workers By Broad Occupational Groups  
(March, 1965)*

		(In Rupees)			
Centre		Professional, Technical and Related Personnel	Administrative, Executive and Mana- gerial personnel	Clerical and Related Wor- kers (includ- ing Supervisory)	Watch and Ward and Other Services
1		2	3	4	5
1. Maharashtra ..	..	11.44	12.64	8.00	3.91
Large Factories ..	..	11.90	18.47	7.45	3.82
Small Factories ..	..	10.76	7.66	8.79	4.01
2. Residual ..	..	—	32.00	3.60	3.20
Large Factories ..	..	—	32.82	3.73	3.23
Small Factories ..	..	—	29.82	3.53	3.18
3. All India ..	..	11.44	26.44	6.26	3.48
Large Factories ..	..	11.90	29.90	6.45	3.49
Small Factories ..	..	10.76	20.03	6.07	3.48

\*Covered under the Factories Act, 1948.

It would be seen from the Statement (3·1) that the average daily earnings of the workers belonging to the group 'Administrative, Executive and Managerial Personnel' were the highest (Rs. 26·44), followed by 'Professional, Technical and Related Workers' (Rs. 11·44), 'Clerical and Related Workers (including Supervisory)' (Rs. 6·26) and 'Watch and Ward and Other Services' (Rs. 3·48). The average daily earnings of 'Administrative, Executive and Managerial Personnel' employed in small factories in the Residual group were found to be rather unusually high. This was mainly due to the fact that there was only one small-size unit in the Residual stratum, employing 'Administrative, Executive and Managerial Personnel' who were covered under the Factories Act. This unit was a small establishment at the time when the sample was drawn but it was found to have grown in size at the time of the Survey. Since the unit was paying quite high wages, its influence has been reflected both in the particular size group and in the stratum, as a whole. At the industry level, the average daily earnings of the four categories of workers were higher in large factories than in small ones.

### 3.1.2. *Average Daily Earnings of All Workers*

The following Statement 3·2 shows the average daily earnings, by components, of all workers during 1965 in Clothing factories in the country. The information is based on returns received under the Payment of Wages Act, 1936, and relates to employees earning less than Rs. 400 per month and employed in factories as defined under Section 2(m) of the Factoris Act, 1948, i.e., factories employing (i) 10 or more workers and using power and (ii) 20 or more workers and not using power. It may be mentioned that since the data have been compiled for factories submitting returns, they are subject to errors of non-response. Under the Payment of Wages Act, 1936, figures are separately collected for total earnings (before deductions) of employees covered under the Act and the corresponding total man-days worked. Average daily earnings are derived by dividing the former by the latter.

### STATEMENT 3-2

*Average Daily Earnings of All Workers by Components*  
(1965)

Component						Average Daily Earnings	Percentage
1						2	3
						Rs.	
1.	Basic Wages	..	..	..	..	4.93	71.87
2.	Cash Allowances (including dearness allowance)				..	1.89	27.55
3.	Bonuses	..	..	..	..	0.02	0.29
4.	Money Value of Concessions			..	..	0.01	0.14
5.	Arrears	..	..	..	..	0.01	0.15
Total						6.86	100.00

It would appear from the Statement that basic wages alone accounted for about 72 per cent. of the total earnings, followed by cash allowances (nearly 28 per cent.). The contribution of the other three components, viz., bonuses, money value of concessions and arrears, to the total earnings of workers was negligible.

### 3.2. Dearness Allowance

It was observed during the Survey that a separate dearness allowance was being paid in only about 14 per cent. of the units in the Industry, as a whole. These comprised 24 per cent. large and 13 per cent. small establishments. All these units were located in the Residual group. In all these units, the rates of dearness allowance were based on income-slabs.

### 3.3. Incentive/Production Bonus

Production bonus was being paid to the workers in only one large unit surveyed in Maharashtra, constituting hardly two per cent. of the factories in the Industry, as a whole. The bonus was paid to all time-rated workers when average production per day was 350 pieces of clothing or more in the month. The rate of bonus payment was as given below :—

Production		Bonus Payable	
350 pieces of clothing per day		2.5% of the salary drawn in the month.	
400	Do.	5%	Do.
450	Do.	7.5%	Do.
500	Do.	10%	Do.
550	Do.	12.5%	Do.
600	Do.	15%	Do.
700	Do.	20%	Do.

### 3.4. Attendance Bonus

Attendance bonus was being paid in only one small unit located in the Residual Group, constituting about 6 per cent. of the Clothing factories in the country, as a whole. The bonus was paid to the tailors only at the rate of Re. 1.00 per week. The only condition for the payment of the bonus was presence on all the working days in the week.

### 3.5. Other Cash Allowances

The Survey results show that no other cash allowances, such as night shift allowance, transport or conveyance allowance, house rent allowance, etc., were being paid to workers in any of the clothing factories covered.

### 3.6. *Bonuses*

#### 3.6.1. *Year-end Bonus*

The practice of paying annual or year-end bonus was in existence in about 36 per cent. of the Clothing factories in the country, comprising 25 per cent. of large factories and 37 per cent. of small ones. As between the two strata, the proportion of units paying such bonus to the workers was much higher (46 per cent.) in the Residual Group as compared to Maharashtra (about 24 per cent.). Significantly, not a single large unit covered in the Residual Group was reported to be paying this bonus.

In about 50 per cent. of the units paying bonus, there were regular schemes for the purpose. All these units were small and were located in the Residual Group. In the rest of the units, there was no regular scheme for payment of the bonus. Further, in about 72 per cent. of the units paying bonus, the managements were paying it voluntarily, in about 14 per cent. of the units it was paid as a result of voluntary agreements between the employers and the employees and in the remaining 14 per cent. of the factories it was paid on the basis of adjudication awards. In four-fifths of these units, all the workers were entitled to the bonus while in the remaining factories, it was paid to time rated workers only. Everywhere, bonus was paid in cash. In about one-third of the units, the bonus was paid unconditionally while in the remaining units, the payment was conditioned by certain requirements such as minimum length of service and permanency.

The rate of payment varied from unit to unit. In about two-thirds of the units, bonus was paid at the rate of 15 days' wages. In the remaining three factories, there was no uniformity. In one of them, the bonus was paid at the rate of Rs. 60 to handlers, trimmers and *mazdoors* and Rs. 120 to all machine workers, ironers, supervisors and members of staff. In another factory, the rate at which bonus was paid was 1/60th of the total earnings of the employee during the year. In the third unit, the bonus paid in a year was equal to two months' basic pay.

#### 3.6.2. *Festival Bonus*

Only about one-fifth of the units covered in Maharashtra, all being small factories, were reported to be paying festival bonus to their employees. At the all-India level, they comprised about one-tenth of the establishments in the Industry. In all these units, the payment of bonus was not made under any regular scheme. In half of these units, the bonus was paid to all categories of workers, while, in the remaining half, it was paid to production workers only. Bonus, in all the cases, was paid in cash. The payment of bonus was unconditional in all the cases and the rate of payment, which was decided purely by the managements, varied from Rs. 5 to Rs. 200, though a majority of workers got from about Rs. 15 to Rs. 50.

#### 3.6.3. *Profit-sharing Bonus*

This bonus was not being paid in any of the Clothing factories canvassed during the course of the present Survey.

### 3.7. *Fines and Deductions*

The present Survey revealed that the practice of imposing fines was not in vogue in any of the cothing factories surveyed. However, in one large establishment located in Maharashtra, the list of acts of commission and omission for which fines could be imposed, duly approved by the local authorities, was displayed and fines register was also maintained as per the legal requirement.

It was further observed that deductions, wherever made, were in conformity with the Payment of Wages Act, 1936.



## CHAPTER IV

### WORKING CONDITIONS

Working conditions obtaining in industries in India have all along attracted the attention of the Central Government as well as the State Governments. As a result, significant improvements in the conditions of work owe a good deal to the legislative enactments, particularly the Factories Act, 1948. The following paragraphs describe the working conditions in the Clothing Industry as observed at the time of the Survey.

#### 4.1. *Shifts*

The data collected during the Survey have shown that one-shift system predominated in the Clothing Industry as this was the case in about 92 per cent. of the factories. Of the remaining factories, about 6 per cent. worked two shifts and the rest i.e., about 2 per cent., had three shifts a day. Details appear in Statement 4.1.

STATEMENT 4.1

*Estimated Percentage of Clothing Factories According to Number of Shifts (1965-66)*

Centre			Total Number of Factories	Percentage of Factories having			Percent- age of Factories having Night shifts	
				One shift	Two shifts	Three shifts		
			1	2	3	4	5	6

1.	Maharashtra	..	..	50	96.0	.	4.0	4.0
	Large Factories	..	..	4	50.0	—	50.0	50.0
	Small Factories	..	..	46	100.0	—	—	—
2.	Residual	..	..	54	88.4	11.6	—	—
	Large Factories	..	..	4	100.0	—	—	—
	Small Factories	..	..	50	87.5	12.5	—	—
3.	All India	..	..	104	92.1	6.0	1.9	1.9
	Large Factories	..	..	8	75.0	—	25.0	25.0
	Small Factories	..	..	96	93.5	6.5	—	—

In Maharashtra, about 96 per cent. of the factories worked one shift and the rest had three shifts whereas, in the Residual Group, about 88 per cent. of the units worked single shift and the rest two shifts a day. It is significant to note that while all large factories in the Residual Group worked single shift, it were all small factories in Maharashtra which worked one shift a day. Night shift\*

\*For the purpose of the Survey a night shift was treated as the one whose majority of working hours fell between 10 P.M. and 6 A.M.

was being worked by only one large factory in Maharashtra which had three shifts a day. In this unit, there was a regular system of transferring workers from day shift to night shift and *vice versa*, and this change-over was effected after a month. The workers working in the night shift enjoyed a concession in the shape of reduced hours of work which were only  $6\frac{1}{2}$  as compared to 8 for the day shift. No other amenity like supply of free tea had been provided by the management to the night shift workers.

#### 4.2. Hours of Work

Since the passing of the Factories Act, 1948, the hours of work for adult workers have been fixed at a maximum of 48 hours a week and 9 per day. The Chief Inspectors of Factories have been empowered to grant exemption from the above limit of daily hours of work in order to facilitate the changeover in any factory.

The data collected during the present Survey show that none of the Clothing factories surveyed had more than an 8-hour day and a 48-hour week. In fact, in one small unit in the Residual Group, constituting about 6 per cent. of the factories in the industry, as a whole, the weekly hours of work were 45. As already stated, night shift was being worked in only one large establishment in Maharashtra and the night shift hours in this unit were  $6\frac{1}{2}$  only.

As regards the prevailing practices in respect of spreadover and rest interval in the Clothing Industry, the data collected appear in Statement 4.2.

#### STATEMENT 4.2

*Estimated Percentage Distribution of Clothing Factories According to Duration of Spread Over and Rest Interval  
(1965-66)*

Centre	Total No. of Factories	Percentage of Factories where					
		Spread Over was					
		Equal to $8\frac{1}{2}$ hours	Equal to 9 hours	Equal to $9\frac{1}{2}$ hours	Equal to 10 hours	Equal to $10\frac{1}{2}$ hours	Equal to 11 hours
1	2	3	4	5	6	7	8
1. Maharashtra ..	50	38.7	40.9	—	—	10.2	10.2
Large Factories ..	4	100.0	—	—	—	—	—
Small Factories ..	46	33.3	44.5	—	—	11.1	11.1
2. Residual ..	54	23.1	42.1	11.6	11.6	—	11.6
Large Factories ..	4	—	100.0	—	—	—	—
Small Factories ..	50	25.0	37.5	12.5	12.5	—	12.5
3. All India ..	104	30.6	41.6	6.0	6.0	4.9	10.9
Large Factories ..	8	50.0	50.0	—	—	—	—
Small Factories ..	96	29.0	40.8	6.5	6.5	5.4	11.8

Centre	Percentage of Factories where				
	Rest Interval was				
	Equal to $\frac{1}{2}$ hour	Equal to 1 hour	Equal to $1\frac{1}{2}$ hours	Equal to 2 hours	More than 2 hours
1	9	10	11	12	13
1. Maharashtra .. ..	38.7	40.9	—	—	20.4
Large Factories ..	100.0	—	—	—	—
Small Factories ..	33.3	44.5	—	—	22.2
2. Residual .. ..	23.1	42.1	11.6	11.6	11.6
Large Factories ..	—	100.0	—	—	—
Small Factories ..	25.0	37.5	12.5	12.5	12.5
3. All India .. ..	30.6	41.6	6.0	6.0	15.8
Large Factories ..	—	50.0	50.0	—	—
Small Factories ..	29.0	40.8	6.5	6.5	17.2

It would be seen from the Statement that all the Clothing factories granted a rest interval ranging from half an hour to more than 2 hours to their employees. In about 89 per cent. of the Clothing factories in the country, the spread-over ranged between  $8\frac{1}{2}$  hours and  $10\frac{1}{2}$  hours, that is within the statutory limit of  $10\frac{1}{2}$  hours. However, in one small unit in Maharashtra and another small unit in the Residual Group, the spreadover was equal to 11 hours. In these two units, workers were allowed a break of 3 hours.

In the large unit in Maharashtra working night shift, the spread-over for the night shift was 7 hours with a rest interval of half an hour's duration.

The timings were reported to be strictly observed in all large and about 93 per cent. of the small-size Clothing factories in the country which together constituted about 92 per cent. of all units in the Industry.

#### 4.3. Dust and Fumes

Not a single Clothing factory was reported to be having any process giving off dust or fumes.

#### 4.4. Seating Arrangements

The Factories Act, 1948, requires the managements of all factories to make suitable arrangements for sitting for all such workers as are obliged to do their work in a standing position so that they may take advantage of any opportunity for rest which may occur in the course of work. It was found during the Survey that in about 68 per cent. of the Clothing factories in the country, comprising nearly 80 per cent. of the factories in Maharashtra and about 58 per cent. in

the Residual Group, the workers were obliged to work in a standing position and all of them had made seating arrangement for them.

#### 4.5. *Conservancy*

Under the Factories Act, 1918, it is obligatory for every factory to maintain an adequate number of latrines and urinals of a prescribed scale for the use of workers. The Survey results show that about 91 per cent. of the Clothing factories in the country had provided latrines, though in about 37 per cent. of these units, the number of latrines provided was not found to be adequate. All factories covered in Maharashtra had provided latrines as against 88 per cent. of the factories in the Residual Group. The defaulters were only small establishments. The latrines provided were of water borne sewage type in about 90 per cent. of the factories and of septic tank type in the remaining 10 per cent. of the units. All these latrines were permanent structures with impervious floors and plastered or tarred walls. They were also properly screened to afford privacy. Water taps in or near the latrines were provided in all the units in Maharashtra as against 70 per cent. in the Residual Group. About 58 per cent. of the units employing women and having latrines had provided separate latrines for their use. These included all large factories and about one-fifth of small factories. The defaulting units were all located in Maharashtra.

Urinals, in addition to latrines, were provided in all the large factories and about 37 per cent. small factories. Together, such units constituted about 42 per cent. of the factories in the Industry, as a whole, consisting of 28 per cent. of the units in Maharashtra and 51 per cent. in the Residual Group. In about 47 per cent. of the units providing urinals, the number of urinals provided was less than the prescribed scale. All these urinals were of permanent type with impervious floors and plastered or tarred walls and suitably screened to afford privacy. Separate urinals for women had been provided in about two-thirds of the factories employing women workers and having urinals.

#### 4.6. *Leave and Holidays with Pay*

The Factories Act, 1918, provides that every worker who has completed a period of 240 days' continuous service in a factory should be allowed, during the subsequent period of twelve months, leave with wages for a number of days calculated at the prescribed rate. Some of the State Governments have also passed laws for the grant of paid national and festival holidays to persons employed in industrial establishments. All other types of leave facilities have come into vogue either as a result of mutual agreements between the employees and the employers or as a consequence of adjudication awards. Statement 4.3 shows the different types of leave and holidays with pay that the workers in the Clothing Industry were enjoying at the time of the Survey.

##### 4.6.1. *Earned Leave*

All the Clothing factories covered during the Survey were reported to be granting earned leave to their employees. As regards period of leave, qualifying conditions and the rates of payment, the managements generally followed the provisions of the Factories Act, 1918, in this regard.

## STATEMENT 4·3

*Estimated Percentage of Clothing Factories Granting Various Types of Leave  
and Holiday with Pay  
(1965-66)*

Centre			Total Number of Factories	Percentage of Factories Granting			
				Earned Leave	Casual Leave	Sick Leave	Festival and National Holidays
1			2	3	4	5	6
1. Maharashtra ..	..	..	50	100·0	14·2	—	69·3
Large Factories	..	..	4	100·0	50·0	—	100·0
Small Factories	..	..	46	100·0	11·1	—	66·7
2. Residual ..	..	..	54	100·0	30·6	3·7	76·9
Large Factories	..	..	4	100·0	100·0	50·0	100·0
Small Factories	..	..	50	100·0	25·0	—	75·0
3. All India ..	..	..	104	100·0	22·7	1·9	73·2
Large Factories	..	..	8	100·0	75·0	25·0	100·0
Small Factories	..	..	96	100·0	18·3	—	71·0

In order to assess the extent of benefit actually enjoyed by the workers, data were collected about the number of workers who availed of earned leave during 1964 together with the period of leave taken. The findings appear in Statement 4·4.

## STATEMENT 4·4

*Estimated Number of Workers Granted Earned Leave with Pay  
(1964)*

Centre	Estimated Average Daily Number of Workers Employed	Estimated Number of workers who Availed Leave	Percentage of workers who availed Leave to the total Employed	Percentage of Workers who Enjoyed leave							
				Upto 5 days	Over 5 days to 10 days	Over 10 days to 15 days	Over 15 days to 20 days	Over 20 days to 25 days	Over 25 days to 30 days	Over 30 days	
1	2	3	4	5	6	7	8	9	10	11	
1. Maharashtra ..	2,926	1,654	56·5	9·7	22·2	43·2	9·6	3·9	10·3	1·1	
Large Factories	1,608	951	59·1	5·0	17·4	42·9	11·9	4·7	17·0	1·1	
Small Factories	1,318	703	53·3	16·1	28·7	43·7	6·4	2·9	1·1	1·1	
2. Residual ..	3,172	2,084	65·7	9·1	22·8	47·3	10·4	8·6	1·1	0·7	
Large Factories	1,524	1,009	66·2	4·1	27·2	60·2	6·0	—	—	0·5	
Small Factories	1,648	1,075	65·2	13·8	16·8	35·2	14·6	16·7	2·1	0·8	
3. All India ..	6,098	3,738	61·3	9·4	22·5	45·5	10·1	6·5	5·1	0·9	
Large Factories	3,132	1,960	62·6	4·5	23·5	51·8	8·9	2·3	8·2	0·8	
Small Factories	2,966	1,778	60·0	14·7	21·5	38·5	11·4	11·2	1·7	1·0	

The Statement shows that about 61 per cent. of the workers in the Clothing Industry availed themselves of earned leave with pay during 1964. The proportion of such workers was higher (about 66 per cent.) in the Residual Group than in Maharashtra (about 56 per cent.). As regards the period of leave, the maximum concentration was in the groups 'over 5 days to 10 days' and 'over 10 days to 15 days' and these two groups taken together accounted for 68 per cent. of the total workers who took leave.

#### 4.6.2. *Casual Leave*

Besides annual leave, about 23 per cent. of the Clothing factories in the country were allowing casual leave with pay to their workers. In this regard, there was significant difference in the two strata. As against about 31 per cent. of the factories (comprising all large and 25 per cent. of small units) in the Residual Group granting casual leave with pay to their employees, the corresponding percentage in Maharashtra was only about 14 (comprising 50 per cent. large factories and about 11 per cent. small factories). As regards the duration of leave, in about 65 per cent. of the factories granting casual leave, it was allowed up to 10 days in a year while in the remaining 35 per cent. of the units, it was allowed for 11 to 15 days in a year.

In about 57 per cent. of the factories granting casual leave (comprising all such units in Maharashtra and about 38 per cent. in the Residual Group), the facility was available to all workers or all except daily-rated employees. In the remaining 43 per cent. of the units, all of which were located in the Residual Group, casual leave facility was restricted to certain categories of employees only such as permanent workers, other than production workers or clerical, administrative and executive personnel. During leave, workers received their normal wages.

#### 4.6.3. *Sick Leave*

There is no statutory provision regarding grant of sick leave with pay to the workers. However, wherever the Employees' State Insurance Scheme had been implemented, the workers were entitled to sick leave as per the provision of the scheme. During the course of the present Survey, information regarding sick leave with pay was collected from those units only where the sick leave facility was being granted to the workers by the managements, irrespective of the fact whether the unit was covered under the Employees' State Insurance Scheme or not. The Survey revealed that only one large unit located in the Residual Group was allowing four months sick leave to all its employees during the entire period of service. The leave was, however, allowed only after the worker had exhausted his earned leave. The workers were entitled to full pay during the period of such leave.

#### 4.6.4. *National and Festival Holidays*

The present Survey has revealed that all large factories and 71 per cent. small factories, together constituting about 73 per cent. of the Clothing factories in the country, as a whole, were granting national and festival holidays with pay to their employees. The proportion of factories granting such holidays was higher in the Residual Group (about 77 per cent.) than

in Maharashtra (about 69 per cent.). In about 79 per cent. of the factories granting these holidays, all workers were entitled to the facility, while in the rest, it was restricted to monthly-rated staff and production workers only. The number of holidays allowed in a year was up to 10 in 78 per cent. of the units while in the remaining 22 per cent. of the units, the number of days allowed was more than 10. Details appear in Statement 4.5.

## STATEMENT 4.5

*Estimated Percentage of Clothing Factories Granting National/Festival Holidays with Pay*  
(1965-66)

Centre		Number of Factories	Percentage of Factories Granting National/Festival Holidays	Percentage Distribution of Factories Granting Holidays			
				Upto 5 days	6 days to 10 days	11 days to 15 days	16 days and above
1		2	3	4	5	6	7
1. Maharashtra	..	50	69.3	64.8	35.2	..	—
Large Factories	..	4	100.0	50.0	50.0	..	—
Small Factories	..	46	66.7	66.7	33.3	—	—
2. Residual	..	54	76.9	—	60.3	34.9	4.8
Large Factories	..	4	100.0	—	—	50.0	50.0
Small Factories	..	50	75.0	—	66.7	33.3	—
3. All India	—	104	73.2	29.5	48.9	19.0	2.6
Large Factories	..	8	100.0	25.0	25.0	25.0	25.0
Small Factories	—	96	71.0	30.0	51.7	18.3	—

With the exception of one large unit in Maharashtra where presence on the preceding and succeeding days was essential for claiming payment for the national and festival holidays, in no other Clothing factory covered had any conditions been laid down in this regard. Workers were paid their normal wages for the holidays in all the units.

4.7. *Weekly Off*

A weekly day of rest was allowed in all the Clothing factories surveyed as required under the Factories Act, 1948, Payment for such a weekly off was being made in 78 per cent. of the factories in the Industry, as a whole, comprising all units in the Residual Group and about 55 per cent. of those located in Maharashtra.

## CHAPTER V

### WELFARE AND AMENITIES

The human approach to the problems of industrial labour has been increasingly in evidence in all countries, including India, for the last few decades. Various committees and commissions appointed in India, from time to time, for enquiring into the conditions of industrial labour have never failed to pin-point the urgency and utility of ameliorative measures for promoting the welfare of workers. Government legislation has been quick in response and the various enactments passed have gone a long way in improving the lot of the working class. Besides facilities provided in compliance with the law, there are many items of welfare which some of the employers have voluntarily undertaken for the benefit of their employees. Apart from humanitarian considerations, the importance of the provision of welfare amenities has been increasingly recognised from the point of view of preservation of the efficiency of the workers which, in turn, contributes to higher productivity. During the present Survey, an attempt was made to assess the extent to which the Clothing factories in India had actually provided welfare facilities to their workers. The information collected in respect of various welfare activities (both obligatory and non-obligatory) is presented in the following paragraphs.

#### *5-1. Drinking Water Facilities*

The present Survey has revealed that suitable arrangements for the supply of drinking water in the factory premises existed in all the large factories and about 93 per cent. of the small factories, together constituting 94 per cent. of the factories at the Industry level. In Maharashtra, such facilities existed in all the factories surveyed whereas in the Residual Group, the proportion of factories providing drinking water facility was about 88 per cent. Details about the specific arrangements made appear in Statement 5-1.

The Statement shows that the most common arrangements were taps, earthen pitchers, buckets and drums.

The Factories Act, 1948, provides that every factory employing more than 250 workers should supply drinking water cooled by ice or other effective method during certain specified period of the year. About 11 per cent. of the Clothing factories in the country, comprising 50 per cent. of large and 7 per cent. of small factories, were employing more than 250 workers and thus were under such an obligation. Of these, about 80 per cent. (comprising all such units in Maharashtra and about 76 per cent. of the factories in the Residual Group) had actually made arrangements for the supply of cool drinking water during summer. Some of the units, though under no statutory obligation, had also made such arrangements and thus, in the Industry, as a whole, arrangements for supplying cool water during summer existed in about 83 per cent. of the Clothing factories. Out of them, in about 84 per cent., earthen pitchers were kept while in the remaining 16 per cent., refrigerated water was made available.



## STATEMENT 5.1

*Drinking Water Facilities Provided in the Clothing Factories  
(1965-66)*

Centre	Number of Factories	Percentage of Factories where Drinking Water Facilities Existed	Estimated Percentage of Factories where Water was supplied through					Estimated Percentage of Factories making Arrangement for supply of cooled Water in Summer
			Taps	Earthen Pitchers	Buckets and Drums	Combination of one or more	Others (i.e., Water Cooler)	
1	2	3	4	5	6	7	8	9
1. Maharashtra ..	50	100.0	10.2	65.4	—	20.4	4.0	100.0
Large Factories	4	100.0	—	50.0	—	—	50.0	100.0
Small Factories	46	100.0	11.1	66.7	—	22.2	—	100.0
2. Residual ..	54	88.4	17.3	13.1	17.3	52.3	—	65.5
Large Factories	4	100.0	50.0	—	50.0	—	—	—
Small Factories	50	87.5	14.3	14.3	14.3	57.1	—	71.4
3. All India ..	104	94.0	13.7	39.8	8.4	36.0	2.1	83.1
Large Factories	8	100.0	25.0	25.0	25.0	—	25.0	50.0
Small Factories	96	93.5	13.7	41.1	7.0	39.2	—	86.1

Presumably keeping in view the hygienic considerations, the Factories Act, 1948, prohibits the location of any drinking water point within 20 feet of latrines and urinals. It was found during the course of the Survey, that in about 28 per cent. of the Clothing factories in the country, the drinking water points were situated within the prohibited distance and all of them were located in Maharashtra.

### 5.2. Washing Facilities

Section 42 of the Factories Act, 1948, lays down that adequate and suitable facilities for washing should be provided and maintained for the use of workers in every factory. It was observed during the Survey that washing facilities existed in about 76 per cent. of the Clothing factories in the country. These comprised almost an equal proportion of large and small factories. The proportion of factories which had made such arrangement was higher (about 80 per cent.) in Maharashtra than in the Residual Groups (73 per cent.). Taps on stand pipes was the predominant arrangement for the purpose as it existed in about 43 per cent. of the factories. Other arrangements were wash basins with taps, water stored in receptacles, etc. In about 42 per cent. of the factories providing washing facilities, some cleansing material like soap, soda, etc., was also supplied to workers. Such materials were accessible to the workers in all the factories.

Of the factories employing women and providing washing facilities, separate arrangements for women workers existed in about one-third of them and they were duly screened. All such factories in the Residual Group and about 46 per cent. in Maharashtra were defaulters in this respect.

### 5.3. *Bathing Facilities*

During the course of the Survey, it was found that bathing facilities existed in about 17 per cent. of small factories, constituting about 16 per cent. of the Clothing factories in the country. It is significant to note that none of the large factories surveyed had provided any such facility. It was further observed that no separate bath rooms for women, wherever employed, were provided in any of the factories surveyed. Bathing places, wherever provided were found clean.

### 5.4. *Canteens*

The Factories Act, 1948, lays down that the State Governments may make rules requiring that in any specified factory, wherein more than 250 workers are ordinarily employed, a canteen or canteens should be provided and maintained by the occupier for the use of workers. The results of the present Survey revealed that 50 per cent. of the large and about 7 per cent. of the small factories or about 11 per cent. of the Clothing factories in the country were under a statutory obligation to provide canteens. Of these, about 24 per cent. of the factories in the Residual Group, (comprising all large factories) in the Residual Group and constituting about 20 per cent. of the factories at the all-India level, had complied with the legal requirement. In Maharashtra, although 4 per cent. of the units employed more than 250 workers but none of them had fulfilled the legal obligation. A few other units in Maharashtra, although under no statutory obligation, had provided canteens voluntarily and thus in the Industry, as a whole, canteens existed in about 4 per cent. of the Clothing factories. Such facilities existed in only large units surveyed.

About half of the canteens sold only tea, coffee and snacks and the rest had arrangements for the supply of meals as well. In about half of the units having canteens, all located in Maharashtra, the canteens were run by the contractors and the articles were sold at market prices. These canteens were reported to be not much popular due to sub-standard and costly stuff sold there. In the remaining half of the units, all located in the Residual Group, canteens were run by the management themselves and in these canteens the articles were sold at subsidised rates. The managements were regularly subsidising the canteens by providing free accommodation, light and water. Canteen Managing Committees were found to be functioning in about 5 per cent. of the Clothing factories having canteens, all these were located in the Residual Group. In all the cases Canteen Managing Committees were responsible for fixing the prices of the various items sold in the canteens. Price lists were found to have been displayed in 50 per cent. of the units having canteens and they were also located in the Residual Group. Drinking water facilities existed in half the units having canteens. The hygienic conditions of all the canteens were reported to be either good or satisfactory. But location of the canteens was observed to be not good in half the cases.

Of the total estimated number of 2,500 workers employed in the units having canteens, nearly 1,700 (i.e., about 67 per cent.) were reportedly visiting canteens daily.

#### 5.5. *Creeches*

The Factories Act, 1948, requires every factory employing more than 50 women workers to maintain a creche of a prescribed standard. It is estimated on the basis of the present Survey that about 37 per cent. of the Clothing factories in the country had women workers on their rolls during March, 1965, and about one-tenth of them were actually employing more than 50 women workers and all of them had provided the creche facility. The condition of these creches was found to be satisfactory because they were located in congenial surroundings and were, generally, found to be properly ventilated and lighted and maintained in a clean and tidy condition. The children attending the creches were being provided with toys, soap and towels as also free milk and refreshments. Full-time staff had been appointed to look after the children in all the creches. No other factory employing women had provided the creche facility voluntarily.

#### 5.6. *Lockers*

None of the Clothing factories surveyed was reported to have provided any locker facility for the workers.

#### 5.7. *Rest Shelters*

Maintenance of rest shelters is obligatory under the Factories Act, 1948, for every factory wherein more than 150 workers are ordinarily employed. However, if the factory is maintaining a canteen of a prescribed standard, the provision of a separate rest shelter is not compulsory. Information collected during the Survey shows that hardly 10 per cent. of the Clothing factories in the country (comprising 4 per cent. and about 15 per cent. of the factories in Maharashtra and the Residual Group respectively) were under an obligation to provide rest shelters as they were employing more than 150 persons and did not have canteens. But none of these factories had respected the law. The management of some of the defaulting units reported that they had a plan to build rest shelters for the workers. In others, the rest shelters were not provided either because of lack of sufficient space or because the management did not feel it necessary as the workers were residing nearby and went home during lunch break. A few also stated that there were a number of vacant rooms available in the factory where the workers could take rest. It was, however, observed that some other units had voluntarily provided rest shelters and the percentage of such units in the Industry, as a whole, was about 7 which consisted of nearly 10 per cent. of the factories in Maharashtra (all small) and about 4 per cent. of those in the Residual group (all large). All the rest shelters were found to be cool, well-lighted and ventilated and maintained in a tidy condition. They also provided adequate protection from bad weather. However, only about 72 per cent. of the rest shelters were of the prescribed standard, had adequate furniture and provided drinking water facility.

### 5.8. *Recreation Facilities*

The information collected during the Survey has revealed that only 9 per cent. of the Clothing factories in the country, comprising about 10 per cent. of the units in Maharashtra and 7 per cent. in the Residual Group, had provided recreation facilities for their workers. Such facilities existed in about 11 per cent. of the small factories in Maharashtra and all large factories in the Residual Group. None of the large factories surveyed in Maharashtra and small factories in the Residual Group had provided any such facility. The facilities provided were in the form of outdoor and indoor games, radio sets and celebration of religious and social functions. In all these units, the facilities which were managed and financed by the managements themselves, were available to all workers.

### 5.9. *Educational Facilities*

The present Survey has revealed that educational facilities for workers' children were provided by only one large unit in the Residual Group, constituting hardly 2 per cent. of the Clothing factories in the country. The unit was running a primary school which was open to all children irrespective of the fact whether they were the children of the unit's employees or not. However, it was reported that about 60 per cent. of the students in the school were children of the factory's employees. Text books, slates, pencils, exercise books, erasers etc., were provided free by the management to the children attending the school. In a small factory in the Residual Group, though there was no school as such, the expenditure incurred by the workers for purchasing books, etc., for their children was reimbursed by the management.

None of the Clothing factories surveyed was reported to be running any adult education centre.

### 5.10. *Medical Facilities*

#### 5.10.1. *Hospitals/Dispensaries*

The present Survey has shown that none of the Clothing factories surveyed had provided any dispensary/hospital. However, about 12 per cent. of the units, comprising about 20 per cent. of the factories in Maharashtra and about 4 per cent. in the Residual Group had made arrangements with outside dispensaries/doctors for the treatment of their workers.

#### 5.10.2. *Ambulance Rooms*

Under the Factories Act, 1948, every factory employing more than 500 workers is required to provide and maintain an ambulance room. The rules framed by the State Governments prescribe the requirements of such rooms. Only one large factory covered in the Residual Group, constituting hardly 2 per cent. of the factories at the all-India level, was under a statutory obligation to make arrangements for the provision of an ambulance room but it had not actually done so. No other factory had also provided the facility voluntarily.

### 5-10-3. *First-aid Boxes*

The Factories Act, 1948, lays down that every factory should maintain first-aid boxes at the rate of one for every 150 workers ordinarily employed. Such boxes must contain the prescribed items and should be easily accessible to workers during all the working hours. The Survey results show that all the Clothing factories had provided first-aid boxes, but in about 81 per cent. of these units (comprising about 90 per cent. in Maharashtra and 73 per cent. in the Residual Group), the first-aid boxes were found to be deficient in one or more items. It was also noticed that in about 18 per cent. of the factories, they were not easily accessible to workers. The proportion of such factories in Maharashtra and Residual Group was about 24 per cent. and 12 per cent. respectively. The Factories Act also provides that each first-aid box must be kept under the charge of a trained first-aiders. It was, however, found that in only about 18 per cent. of the factories, comprising about 24 per cent. of the units in Maharashtra and about 12 per cent. in the Residual Group, there were trained first aiders. The corresponding proportion in large and small factories was 25 and 17 per cent. respectively. All these first-aiders had received the training under the St. John Ambulance training programme.

### 5-11. *Housing*

Of the factories covered in the Survey, only one large unit in the Residual Group, constituting hardly 2 per cent. of the Clothing factories in the country, had provided free residential accommodation for its employees. The percentage of workers actually housed was about 8 in the factory, giving an all-India percentage of only 0·7. The factory was actually a Government-owned unit started mainly to provide jobs to the criminal tribes settled in a colony. The management had provided accommodation to only time-rated staff as most of the piece-rated workers were already settled in the colony. Nearly 95 per cent. of the houses were *pucca* built. About three-fourths of the houses were having two rooms and the rest had three-rooms.

### 5-12. *Other Amenities*

None of the Clothing factories surveyed was reported to have provided any other amenity like transport facility, grain shops, co-operative society, etc., for its workers.

## CHAPTER VI

### SOCIAL SECURITY

Prior to the attainment of Independence, factory workers in the country enjoyed social security only to a limited extent which was mainly in the shape of compensation for industrial accidents under the Workmen's Compensation Act passed by the Central Government and maternity benefits under State Acts. However, after Independence, there has been a considerable enlargement of the scope and content of social security benefits, largely as a result of adoption of such statutory measures as the Employees' State Insurance Act, 1948, and the Employees' Provident Funds Act, 1952, and to a certain extent, as a result of adjudication awards. The following paragraphs describe briefly the social security benefits being enjoyed by workers in the Clothing Industry in the country at the time of the present Survey.

#### 6.1. *Provident Fund Scheme*

The Survey has revealed that about 30 per cent. of the Clothing factories in the country, comprising about 54 per cent. in the Residual Group and 4 per cent. in Maharashtra, had introduced provident fund schemes for their employees. The proportion of factories having provident fund schemes was much higher in large factories (75 per cent.) than in small factories (26 per cent.). Data collected further show that in about 94 per cent. of the factories having provident funds, the schemes were introduced under the Employees' Provident Funds Act, 1952, and consequently, the scope, rate of contribution and the conditions of eligibility were the same as laid down in the statutory scheme.

The remaining one factory (constituting about 6 per cent. of the factories at the all-India level) which was actually a Government-owned unit, started for the criminal tribes settled in a colony, had a General Provident Fund Scheme, which was non-contributory so far as the employer was concerned. The scheme covered only time-rated employees.

About 16 per cent. of the estimated total number of workers employed on 31st March, 1965, were members of the provident fund schemes on that date. Details appear in Statement 6.1.

#### 6.2. *Pension Schemes*

None of the Clothing factories surveyed was reported to be having any pension scheme for its workers.

#### 6.3. *Gratuity Schemes*

Schemes for the payment of gratuity were reported to be in operation in about one-tenth of the factories, comprising about half of the large factories and nearly 7 per cent. of the small factories. The proportion of factories paying gratuity in Maharashtra and the Residual Group was 4 per cent. and about 16 per cent. respectively. All these units had regular schemes for the purpose. Gratuity was payable to workers or their dependants in case of death and retirement in all the units where the scheme was in vogue. In addition, about 38 per

cent. of the units also paid gratuity to workers in case of resignation and termination of service by the employers on grounds other than misconduct. In about one-fifth of the units having gratuity schemes, gratuity was payable to all categories of workers but, in the remaining four-fifths, it was restricted to certain categories of employees such as permanent workers, time-rated workers, clerical and watch and ward staff, etc. The main condition for eligibility to the payment of gratuity was usually the completion of certain number of years of service which varied from factory to factory and ranged from one year to seven years. The rate of payment was generally 15 days' wages for each completed year of service, subject to certain maximum. In case of voluntary resignation, gratuity was generally paid on a lower scale, depending upon the number of years of service put in by the employee. During 1964, it was found that an estimated number of 120 workers, 3 in Maharashtra and 117 in Residual Group, received gratuity.

## STATEMENT 6.1

*Estimated Percentage of Clothing Factories having Provident Fund Schemes, etc. (1965-66)*

Centre	Estimated Total Number of Factories	Percent- age of Factories having Provident Fund Schemes	Percentage of Factories having		Estimated Total Number of Workers* Employed on 31-3-1965	Percent- age of Workers who were Members of Provident Fund Scheme
			Employees* Provident Fund Scheme	Other Provident Fund Scheme		
1	2	3	4	5	6	7
1. Maharashtra ..	50	4.0	100.0	—	3,583	3.1
Large Factories ..	4	50.0	100.0	—	1,824	6.0
Small Factories ..	46	—	—	—	1,759	—
2. Residual ..	54	53.7	93.1	6.9	4,812	25.0
Large Factories ..	4	100.0	50.0	50.0	2,477	20.8
Small Factories ..	50	50.0	100.0	—	2,335	29.5
3. All India ..	104	29.8	93.6	6.4	8,395	15.6
Large Factories ..	8	75.0	66.7	33.3	4,301	14.5
Small Factories ..	96	26.0	100.0	—	4,094	16.8

\*Covered under the Factories Act, 1948.

6.4. *Maternity Benefits*

Legislation providing for payment of cash maternity benefits for certain periods before and after confinement, granting of leave and certain other facilities, etc., to women employed in factories exists in almost all States under the various Maternity Benefits Acts passed by the State Governments. However, where the Employees' State Insurance Scheme has been put into force, the employers are absolved of their liability under the concerned Maternity Benefit Act.

The data collected in the present Survey revealed that only two maternity benefit claims were made and accepted for payment during 1964 in one large unit in the Residual Group, constituting about 5 per cent. of the factories employing women.

### 6.5. Industrial Accidents

The Workmen's Compensation Act, 1923, as amended from time to time, and the Employees' State Insurance Act, 1948, provide for payment of compensation to workers who are injured on account of accidents arising out of and in the course of employment. Provisions of the Workmen's Compensation Act, were applicable at the time of the Survey to all factories excepting those covered under the Employees' State Insurance Scheme.

Information was collected during the Survey in respect of the number and nature of accidents which occurred in 1964 in all the sampled factories whether covered or not under the Employees' State Insurance Scheme. It is estimated on the basis of the data collected that, during 1964, accidents had occurred in about 12 per cent. of the factories in the Residual Group which constituted about 6 per cent. of the Clothing factories in the country. An estimated number of 14 workers was involved in accidents. It is significant to note that no accident had been reported in any of the large factories surveyed. Such accidents had occurred in small factories only. Perhaps a better picture can be had when the number of workers involved in accidents vis-a-vis the total number of workers employed is taken into account. The rate of accidents per thousand workers employed, based on the estimate of average number employed during the year 1964, as also the distribution of workers involved by nature of accidents are given in Statement 6.2.

#### STATEMENT 6.2

#### *Estimated Proportion of Workers Involved in Accidents by Nature of Accidents (1964)*

Centre		Estimated Average Daily Employment in 1964	Estimated Proportion of Workers Involved in Accidents per 1000 Workers Employed Resulting in			
			Death	Permanent Disability	Temporary Disability	Total
1		2	3	4	5	6
1. Maharashtra	..	2,996	—	—	—	—
Large Factories	..	1,608	—	—	—	—
Small Factories	..	1,318	—	—	—	—
2. Residual	..	3,172	—	—	4.4	4.4
Large Factories	..	1,524	—	—	—	—
Small Factories	..	1,648	—	—	8.5	8.5
3. All India	..	6,098	—	—	2.3	2.3
Large Factories	..	3,132	—	—	—	—
Small Factories	..	2,966	—	—	4.7	4.7

It will be seen from the Statement that the rate of accidents in the Industry, as a whole, was about 2 per thousand workers employed. All the accidents were of minor nature and workers suffered only temporary disabilities.

### 6.6. Occupational Diseases

In none of the Clothing factories surveyed workers were reported to be suffering from any occupational disease.



## CHAPTER VII

### INDUSTRIAL RELATIONS

During the post-war years, particularly after Independence, considerable thought and action have been devoted to matters pertaining to the improvement of labour-management relations in India. Various legislative measures passed by the Government of India, notably the Industrial Disputes Act, 1947, and by the State Governments have gone a long way in improving industrial relations in the country. During the present Survey, information was collected on some important aspects of industrial relations in the Clothing Industry and the findings are discussed in the following paragraphs.

#### 7.1. Trade Unionism

Data collected during the Survey has revealed that in about three-fourths of the large factories and nearly one-fourth of the small factories, together constituting about 28 per cent. of all the Clothing factories in the country, the workers had organised themselves into trade unions. The proportion of workers who were members of the trade unions was about 72 per cent. in large factories as against 11 per cent. in small factories. In the Industry, as a whole, 42 per cent. of the workers were members of trade unions. Further details appear in Statement 7.1

**STATEMENT 7.1**  
*Estimated Percentage of Clothing Factories where Workers were Members of Trade Unions, etc.*  
(1965-66)

Centre		Estimated Total Number of Factories	Percentage of Factories where Workers were Members of Trade Unions	Total Number of Workers Employed*	Percentage of Workers who were Members of Trade Unions	Percentage of Factories where Unions were Recognised
1		2	3	4	5	6
1. Maharashtra	..	50	28.4	3,654	47.8	85.9
Large Factories	..	4	100.0	1,843	75.5	50.0
Small Factories	..	46	22.2	1,811	19.7	100.0
2. Residual	..	54	26.8	5,010	37.8	56.9
Large Factories	..	4	50.0	2,580	69.1	100.0
Small Factories	..	50	25.0	2,450	5.1	50.0
3. All India	..	104	27.6	8,664	42.0	71.3
Large Factories	..	8	75.0	4,403	71.8	66.7
Small Factories	..	96	23.7	4,261	11.3	72.5

\*Covered and Not Covered under the Factories Act, 1948.

It would appear from the Statement that about 71 per cent. of the Clothing factories having trade unions had recognised the unions. It is significant to note that all the large factories in the Residual Group and all the small factories in Maharashtra having unions had granted recognition to the trade unions.

Multiplicity of the trade unions was not found prevalent in the Clothing Industry as none of the factories surveyed had reported having more than one union. In about 56 per cent. of the factories having trade unions, all the trade unions were registered. In the remaining 44 per cent. of the factories, none of the trade union was registered. In Maharashtra, the proportion of factories having unregistered trade unions was cent per cent. whereas in the Residual Group, such percentage was only about 14. Securing claims for their members under the various labour laws was the only activity carried out by all the trade unions. No trade union was paying any attention to adult education.

### 7.2. *Collective Agreements*

In the course of the Survey, information was collected in respect of collective agreements concluded between the employers and the workers in the sampled establishments since 1956. It was found that about half the large factories and 17 per cent. of the small factories, together constituting about one-fifth of the Clothing factories in the country, had concluded collective agreements. The proportion of factories having collective agreements was higher in Maharashtra (about 21 per cent.) than in the Residual Group (about 15 per cent.). Subject matters of collective agreements covered a wide field such as wage scales, dearness allowance, earned leave, holidays, introduction of employees provident funds, payment of bonus, etc.

### 7.3. *Standing Orders*

With the enactment of the Industrial Employment (Standing Orders, Act, 1946, it has become obligatory for all factories employing 100 or more workers to frame Standing Orders for regulating such matters as classification of workers, intimation of periods and hours of work, holidays, termination of employment, redress of grievances, etc.

In the course of the Survey, it was found that about 19 per cent. of the Clothing factories in the country, including all large factories and about 12 per cent. of the small factories, were under the statutory obligation to frame Standing Orders. These comprised about 18 per cent. of the factories in Maharashtra and about 19 per cent. in the Residual Group. The legal requirement was found to have been fulfilled in about 50 per cent. of the large factories and 55 per cent. of the small factories. The percentage for the Industry, as a whole, was about 53. The proportion of such factories in Maharashtra and the Residual Group was about 22 and 80 per cent. respectively. In addition, some of the small units in the Residual Group, which were under no such statutory obligation, had also framed Standing orders. Thus, it is estimated that the percentage of the Clothing factories having Standing Orders in the Industry, as a whole, was about 16 (comprising 4 per cent. of the factories in Maharashtra and 27 per cent. in the Residual Group)

In all the units, the Standing Orders were framed under the Industrial Employment (Standing Orders) Act, 1946 and were duly certified by the competent authority. Standing Orders, wherever framed, covered all categories of workers.

#### 7.4. *Labour and Welfare Officers*

With a view to enabling the employers to have better arrangements for personnel management and to help them in ensuring proper implementation of labour laws, a provision has been made in the Factories Act, 1948, requiring all factories employing 500 or more workers to appoint Welfare Officers. The rules framed by the State Governments under the Act prescribe the functions and duties of these officers. Only one large factory located in the Residual Group, constituting hardly 2 per cent. of the Clothing factories at the all-India level, was under a statutory obligation to appoint Welfare Officer and the factory had duly complied with the legal requirement. It had appointed a Personnel Officer whose main duties were reported to be to assist the management in administering the labour laws and to establish contacts and hold consultations with a view to maintaining harmonious relations between the management and the workers. The Personnel Officer was not required to appear before Tribunals etc., on behalf of the management in industrial disputes. No other unit had appointed any Labour/Welfare Officer voluntarily.

#### 7.5. *Works and Joint Committees*

With a view to providing a forum at the unit level for elimination of sources of friction through mutual discussion and consultation between the managements and their employees, the Industrial Disputes Act, 1947, empowers the appropriate Government to prescribe that a Works Committee should be constituted in every industrial establishment employing 100 or more workers. Some of the State laws also provide for the constitution of Joint Committees for the purpose. The Survey results show that about 19 per cent. of the Clothing factories in the Industry—all large factories and about 12 per cent. of the small factories—were employing 100 or more workers. It was, however, found that none of the Clothing units surveyed, whether obliged or not, had constituted any Works or Joint Committee. The main reason for not setting up such Committees in those units, where it was obligatory was reported to be that most of the factories were obliged to constitute such Committees only recently as previously they employed less than 100 workers. A few others contended that neither the management nor the workers, felt the necessity of constituting such Committees.

#### 7.6. *Other Committees*

None of the Clothing factories surveyed was reported to be having any other Committees such as Production Committees, Safety Committee, etc.

#### 7.7. *Grievance Procedure*

With the enactment of the Industrial Employment (Standing Orders) Act, 1946, it became obligatory for all factories employing 100 or more

workers to frame Standing Orders, prescribing *inter-alia*, the procedure to be followed for redress of workers' grievances. As stated elsewhere in this Chapter, about 16 per cent. of the Clothing factories in the country had framed Standing Orders and thus a prescribed grievance procedure had been laid down in such units. As regards the actual practice for redress of workers' grievances, it was found that usually grievances were heard initially by the immediate supervisors or in-charges of the sections and the complainant approached the higher officers only when not satisfied with their decisions. In small establishments, the workers generally approached the proprietor or the manager direct whose decision was final.

#### 7.8. *Association of Workers with Management*

None of the Clothing factories surveyed was reported to have introduced any scheme for associating workers with the management of the establishment.

## CHAPTER VIII

### LABOUR COST

Information relating to labour cost was collected from the sampled establishments, during the course of the present Survey, in respect of the employees covered under the Factories Act, 1948, and receiving less than Rs. 400 per month as wages. This was in pursuance of the decision taken by the Study Group on Wage Costs appointed by the Ministry of Labour and Employment in 1959. The enquiry pertaining to labour cost was modelled on the lines of the Study of Labour Costs in the European Industry made by the International Labour Office in 1956. However, certain modifications were made in the light of conditions in India. For instance, in view of the fact that, in India, wages are paid on the basis of days instead of hours, data were collected in respect of man-days instead of man-hours. Similarly, it was found in the course of the pilot enquiry that, except for very few establishments, separate records of premium payments made for leave or holidays, or for days not worked, were not maintained and hence these were dropped as separate items and recorded under 'basic wages'. Certain additions were made in the list either on the basis of the decisions of the Study Group referred to above, or to elicit separate information on some of the items on which employers have to incur expenses under labour laws in force in the country e.g., lay off, washing facilities, retrenchment compensation, etc.

The Survey in this Industry started in April, 1965 and ended in February, 1966. With a view to maintaining comparability of data and ensuring uniformity, it was intended to collect information, as far as possible, for the calendar year 1964. If, however, the financial year of an establishment did not coincide with the calendar year and it was not feasible to collect information for the year 1964, the field staff were asked to collect the data for the latest period of 12 months for which information was available subject to the condition that at least a major period of the year 1964 (at least 6 months) was covered. The available data show that it was possible to collect information in respect of the calendar year 1964 from most of the units. The data collected may, therefore, be taken broadly to refer to the calendar year, 1964.

It may also be mentioned here that with a view to forming better estimate of labour cost, salaries and allowances, etc., as well as the man-days worked in respect of those persons who were employed in connection with any welfare item, amenities, etc., even though they were covered under the Factories Act, 1948, and were receiving less than Rs. 400 per month, were not included in the general heads 'Wages', 'Bonuses' and 'Other Cash Payments' along with the similar amounts paid to workers who came within the scope of the Study. Expenses incurred in connection with such persons were recorded against the item for which they were employed. Similarly, the man-days worked by such persons were also excluded.

#### 8.1. *Labour Cost per Man-day Worked*

Data in respect of man-days worked and the wages and other earnings of

the workers were collected for the above mentioned period. Further, expenditure incurred by the employers on various welfare and social security measures, subsidy services, etc., representing the cost incurred by employers on labour, was also recorded in the course of the Survey. Based on the above, the average labour cost per man-day worked has been estimated and is given in Statement 8.1.

### STATEMENT 8.1.

#### *Estimated Labour Cost per Man-day Worked (1964)*

(In Rupees)

Centre								Labour Cost Per Man-day worked
1								2
1. Maharashtra	..	..	..	..	..	..	..	5.84
Large Factories	..	..	..	..	..	..	..	6.44
Small Factories	..	..	..	..	..	..	..	5.12
2. Residual	..	..	..	..	..	..	..	3.51
Large Factories	..	..	..	..	..	..	..	2.42
Small Factories	..	..	..	..	..	..	..	4.51
3. All India	..	..	..	..	..	..	..	4.64
Large Factories	..	..	..	..	..	..	..	4.50
Small Factories	..	..	..	..	..	..	..	4.78

The over-all labour cost per man-day worked in the Clothing Industry was estimated at Rs. 4.64 at the all India level. The Statement shows that the burden of labour cost was heavier in Maharashtra (Rs. 5.84) as compared to the Residual Group (Rs. 3.51).

#### 8.2. Components of Labour Cost

The major element of labour cost was 'wages' which alone accounted for about 92 per cent. of the total labour cost. Statement 8.2 shows the distribution of labour cost according to major heads under which the data were collected.

##### 8.2.1. Wages

This component comprised basic wage and dearness allowance, incentive or production bonus and attendance bonus received by employees. It was desired by the Bureau to collect data under this head in respect of man-days worked alone, but in the course of the pilot enquiry, it was found that most of the employers did not maintain separate records of payments made for the days actually worked and for leave and holiday periods. Consequently, the amount of basic wages and dearness allowance recorded included the sum paid for the days worked as well as not worked but paid for. As already mentioned, 'wages' alone accounted for about 92 per cent. (Statement 8.2) of the total labour

**STATEMENT 8.2**  
**Estimated Labour Cost per Man-day Worked by Main Components**  
**(1964)**

Centre	Wages	Premium Pay for Overtime and Late Shifts	Bonuses	Other Cash Payments	Money Value of Concessions in Kind	Social Security Contributions		Subsidies	Direct Benefits	Some Other Payments Related to Labour Cost	Others	Total
						Obligatory	Non-Obligatory					
	(a)	(b)	(c)	(d)	(e)	(f)	(g)					
1. Maharashtra	5.53 (94.69)	0.10 (1.72)	0.02 (0.34)	0.01 (0.17)	*	0.16 (2.74)	—	0.02 (0.34)	—	*	—	5.84 (100.00)
Large Factories	5.99 (93.01)	0.17 (2.64)	—	—	—	0.27 (4.19)	—	0.01 (0.16)	—	—	—	6.44 (100.00)
Small Factories	4.96 (96.87)	—	0.05 (0.98)	0.02 (0.39)	*	0.04 (0.78)	—	0.05 (0.98)	—	*	—	5.12 (100.00)
2. Residual	3.11 (88.60)	0.2 (0.57)	0.07 (1.99)	0.02 (0.57)	*	0.18 (5.13)	*	0.08 (2.28)	—	*	0.03 (0.86)	3.51 (100.00)
Large Factories	2.12 (87.60)	—	—	—	—	0.15 (6.20)	—	0.10 (4.13)	—	*	0.05 (2.07)	2.42 (100.00)
Small Factories	4.04 (89.58)	0.03 (0.66)	0.13 (2.90)	0.03 (0.66)	*	0.21 (4.65)	0.01 (0.22)	0.06 (1.33)	—	*	—	4.51 (100.00)
3. All India	4.28 (92.24)	0.06 (1.19)	0.05 (1.08)	0.01 (0.22)	*	0.17 (3.66)	*	0.05 (1.08)	—	*	0.02 (0.43)	4.64 (100.00)
Large Factories	4.12 (91.55)	0.09 (2.00)	—	—	—	0.21 (4.67)	—	0.5 (1.11)	—	*	0.03 (0.67)	4.50 (100.00)
Small Factories	4.45 (93.10)	0.02 (0.42)	0.10 (2.09)	0.03 (0.63)	*	0.13 (2.72)	*	0.05 (1.04)	—	*	—	4.78 (100.00)

NOTE—Figures within brackets are percentages to total.

\* Less than Re. 0.005.

(a) Includes basic wage, dearness allowance, incentive bonus and attendance bonus.

(b) Includes extra payment for working on holidays.

(c) Includes house rent allowance, travelling allowance, etc., and other ex-gratia payments.

(d) Includes expenditure on medical and health care, canteens, company housing, creches, educational and recreation services, etc.

(e) Includes direct payments made by the employer to the beneficiary on occasions like birth, death, marriage, etc.

(f) Includes expenditure on recruitment, vocational training, apprenticeship, on the job medical services, etc.

(g) Includes expenditure on miscellaneous payments like supply of protective equipment to workers, pay of Labour/Welfare Officer, etc.

cost in the Industry. This percentage was higher in Maharashtra (about 95 per cent.) than in the Residual Group (about 89 per cent.).

Statement 8.3 gives further break-up of the 'wages' cost into various sub-groups viz., basic wages and dearness allowance, incentive or production bonus and attendance bonus.

It will be noticed from the Statement that almost the entire 'wages' cost was on account of basic wage and dearness allowance.

### STATEMENT 8.3

#### *Estimated Break-up of 'Wages' Cost by Components* (1964)

(In Rupees)

Centre					Basic Wages and Dearness Allowance	Incentive Production Bonus	Attendance Bonus	Total
1					2	3	4	5
1. Maharashtra	..	..	..	..	5.52 (99.83)	0.01 (0.17)	—	5.53 (100.00)
Large Factories	..	..	..	..	5.98 (99.83)	0.01 (0.17)	—	5.99 (100.00)
Small Factories	..	..	..	..	4.96 (100.00)	—	—	4.96 (100.00)
2. Residual	..	..	..	..	3.11 (100.00)	—	*	3.11 (100.00)
Large Factories	..	..	..	..	2.12 (100.00)	—	—	2.12 (100.00)
Small Factories	..	..	..	..	4.04 (100.00)	—	*	4.04 (100.00)
3. All India	..	..	..	..	4.28 (100.00)	*	*	4.28 (100.00)
Large Factories	..	..	..	..	4.12 (100.00)	*	—	4.12 (100.00)
Small Factories	..	..	..	..	4.45 (100.00)	—	*	4.45 (100.00)

NOTE—Figures in brackets are percentages to total.

\*Less than Re. 0.005.



### 8·2·2. *Premium Pay for Overtime and Late Shift*

Under this group, only the premium part of the pay for overtime work, late shift work on holidays, etc., was recorded. This was represented by the amount received by the workers in addition to their normal pay. For instance, if a worker received one and half times his normal wages for the overtime work, the extra amount, that is one half of his normal wages, was recorded against this item. The normal wages were included under the group 'Wages'. The present Survey has shown that the contribution made by this element to the total labour cost in the Clothing Industry was only about one per cent. Its proportion was higher in Maharashtra than in the Residual Group.

### 8·2·3. *Bonuses*

Payments made in respect of festival and year-end bonuses were recorded under this group. It will be seen from Statement 8·2 that, in the Clothing Industry, this item constituted only about one per cent. of the total labour cost per man-day worked. This proportion was comparatively high in the Residual Group than in Maharashtra. It is also worth-noting that, during 1964, no bonus payments were made by any of the large factories surveyed.

### 8·2·4. *Other Cash Payments and Money Value of Concessions in Kind*

Other cash payments were those payments which were made regularly by the employers such as house rent allowance, transport allowance, etc., and also *ex gratia* payments. The combined cost on account of all these payments amounted to a small sum of Re. 0·01 per man-day worked in the Clothing Industry, as a whole.

Money value of concessions in kind included such items as food articles, etc., supplied to the workers. The contribution of this item to the total labour cost was negligible.

### 8·2·5. *Social Security Contributions*

The expenses incurred by the employers on various social security measures were recorded under this group. Since the employers were statutorily obliged to undertake some of the social security measures, separate data were collected in respect of expenditure incurred on obligatory and non-obligatory social security contributions. Expenditure incurred by the employers both on obligatory and non-obligatory social security contributions during 1964 amounted to Re. 0·17 per man-day worked or about 4 per cent. of the total labour cost. This expenditure was higher in large factories than in small ones. Almost the whole of this expenditure was on obligatory social security contributions. Non-obligatory social security contributions were found to have been incurred by certain small units in the Residual Group and they formed an insignificant proportion of the total labour cost. Statement 8·4 shows the break-up of obligatory social security contributions.

The Statement shows that so far as obligatory social security contributions are concerned, at the Industry level, the main items of expenditure were provident fund contributions, Employees' State Insurance Contributions, gratuity and compensation for lay off, their respective percentage to the total labour cost of the group being nearly 41,41,12 and 6.

STATEMENT 8.4

*Estimated Cost of Social Security Contributions Per Man-day Worked*  
(1964)

Centre	OBLIGATORY														Total Obliga- tory Non- oblig- atory Contrib- utions to the total Labour Cost
	Provident Fund	Retre- ment Contri- bution off	Compen- sation for Lay off	Employees' State Insurance Contribu- tions	Compensation for Employ- ment Injury at Disease	Matern- ity Bene- fits	Gratu- ity	Others	Total	Non Oblig- atory	Total	Percent- age of Social Security Contribu- tions to the total Labour Cost			
1	2	3	4	5	6	7	8	9	10	11	12	13	14		
1. Maharashtra	..	0.07 (43.75)	—	0.01 (6.25)	0.08 (30.00)	—	—	*	—	0.16 (100.00)	—	0.16	2.74		
Large Factories	..	0.12 (44.44)	—	0.02 (7.41)	0.13 (48.15)	—	—	*	—	0.27 (100.00)	—	0.27	4.19		
Small Factories	..	..	—	—	0.04 (100.00)	—	—	—	—	0.4 (100.00)	—	0.4	0.78		
2. Residual	..	0.08 (44.44)	—	0.01 (5.56)	0.06 (33.33)	—	—	*	0.03 (16.67)	0.18 (100.00)	*	0.18	5.13		
Large Factories	..	0.04 (26.67)	—	—	0.04 (26.67)	—	—	*	0.07 (46.66)	0.15 (100.00)	—	0.15	6.20		
Small Factories	..	0.12 (37.14)	—	0.01 (4.76)	0.08 (38.10)	—	—	—	—	0.21 (100.00)	0.01 (100.00)	0.22	4.87		
3. All India	..	0.07 (41.18)	—	0.01 (5.88)	0.07 (41.18)	—	—	*	0.02 (11.76)	0.17 (100.00)	*	0.17	3.66		
Large Factories	..	0.08 (38.10)	—	0.01 (4.76)	0.09 (42.86)	—	—	*	0.03 (14.28)	0.21 (100.00)	—	0.21	4.67		
Small Factories	..	0.07 (53.85)	—	0.01 (7.69)	0.05 (38.46)	—	—	—	—	0.13 (100.00)	*	0.13	2.72		

NOTE.—Figures in brackets are percentages to total.

\* Less than Rs. 0.005.

### 8.2.6. *Subsidies*

Cost to employers for providing certain facilities and services to workers and their families was collected under this head. The facilities listed were Medical and Health Care, Canteens, Restaurants and Other Food Services, Company Housing, Building Funds, Credit Unions, Creches, Educational Services, Recreation Services, Cultural Services, Transport, Sanitation, Drinking Water, Washing Facilities, etc. The net amount spent, including depreciation but excluding any capital expenditure, was recorded. In the course of the pilot enquiry, it was noticed that in most of the cases employers either did not maintain any records separately for the above mentioned items or expenses related not only to persons falling within the scope of the Study but also to others. Hence the field staff were asked to obtain estimates, wherever such statistics were not available separately, for the above-mentioned items, and/or for the employees covered by the Study only. In the latter case estimates were made on the basis of the proportion that the employees coming under the scope of the Study formed to the total number of employees. Statement 8.5 gives the details in respect of the cost on subsidies incurred by the employers in the Clothing Industry.

The cost of subsidies per man-day worked amounted to Re. 0.05, constituting about one per cent. of the total labour cost in the Industry. This proportion was comparatively high in the Residual Group (2.28 per cent.) than in Maharashtra (0.34 per cent.). The main items of expenditure were Company Housing, Creches, Sanitation, Drinking Water and Washing Facilities.

### 8.2.7. *Direct Benefits*

Direct benefits are those benefits which are paid by the employers directly to the beneficiaries without any intermediary or external agency. The Survey results show that none of the Clothing factories covered had incurred any expenses on such benefits during the year 1964.

### 8.2.8. *Some Other Payments Related to Labour Cost*

Under this group, expenses relating to on-the-job medical services, cost of recruitment and remuneration paid to apprentices, etc., were recorded. The total cost incurred on account of all these items was reported to be very insignificant, being less than Re. 0.005 per man-day worked at the Industry level (Statement 8.2).

### 8.2.9. *Others*

Under this head, only those expenses which could not be grouped under any of the heads or sub-heads of the labour cost items were recorded. They related to the cost incurred by the employers on account of protective clothings, pay of Welfare Officers, etc. The total cost incurred on account of all these items amounted to a small sum of Re. 0.02 per man-day worked at the Industry level.

**STATEMENT 8.5**  
**Estimated Cost of Subsidies Per Man-day Worked**  
**(1964)**

(In Rupees)

Centre	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
		Medical and Health Care	Canteen Comp- any Hosing	Cre- dit Unions	Creches	Educa- tional Services	Cultu- ral Services	Recrea- tion Services	Sanita- tion	Drink- ing Water	Washing Facili- ties	Other Family Services	Total Percent- age of Subsidies to the total Labour Cost		
1. Maharashtra	..	*	—	—	—	—	—	—	*	0.01 (50.00)	0.01 (50.00)	*	—	0.02 (100.00)	0.34
Large Factories	..	—	—	—	—	—	—	—	—	0.01 (100.00)	—	—	—	0.01 (100.00)	0.16
Small Factories	..	*	—	—	—	—	—	0.01 (20.00)	0.02 (40.00)	0.01 (20.00)	0.01 (20.00)	*	—	0.05 (100.00)	0.98
2. Residual	..	*	*	0.01 (12.50)	*	0.02 (25.00)	0.01 (12.50)	0.01 (12.50)	*	0.01 (25.00)	0.01 (12.50)	*	*	0.10 (100.00)	4.13
Large Factories	..	*	0.01 (10.00)	0.03 (30.00)	*	0.04 (40.00)	0.01 (10.00)	0.01 (16.67)	—	0.02 (33.33)	0.01 (16.67)	0.01 (16.67)	*	0.06 (100.00)	1.33
Small Factories	..	—	—	—	—	—	—	—	*	0.01 (20.00)	0.01 (20.00)	0.01 (20.00)	*	0.05 (100.00)	1.0
3. All India	..	*	*	0.01 (20.00)	*	0.01 (20.00)	*	*	*	0.01 (20.00)	0.01 (20.00)	*	*	0.05 (100.00)	1.11
Large Factories	..	*	*	0.02 (40.00)	*	0.02 (40.00)	*	*	*	0.02 (40.00)	0.02 (20.00)	0.01 (20.00)	—	0.05 (100.00)	1.04
Small Factories	..	*	—	—	—	—	—	—	*	0.02 (20.00)	0.02 (20.00)	0.01 (20.00)	—	0.05 (100.00)	1.04

\*Less than Re. 0.005. per man-day worked.

NOTE—Figures in brackets are percentages to total.

## CHAPTER IX

### SUMMARY OF FINDINGS

The Clothing Industry in India thrived during the World War II as a result of huge defence requirements. In the post-war period, the Clothing factories switched over to peace-time production and the expanding internal market for ready-made apparel and the opening up of foreign markets further helped in the development of this Industry, particularly after 1956. During 1965, the number of Clothing factories in the country was 173 providing employment to about 30 thousand persons. From the point of view of employment, the Industry is concentrated mainly in Uttar Pradesh, Maharashtra and Madras as these three States together accounted for about 88 per cent. of the total employment in 1965.

On the basis of the present Survey, it has been estimated that on the specified date i.e., 31st March, 1965, the Industry employed 8,664\* workers, of whom about 3 per cent. were not covered under the Factories Act, 1948. The distribution of all workers (covered as well as not covered under the Factories Act, 1948), according to the broad occupational groups shows that an overwhelming majority of workers (i.e., about 89 per cent.) were 'Production and Related Workers (including Supervisory)'. About 5 per cent. of the workers were each in the category of 'Clerical and Related Workers (including Supervisory)' and 'Watch and Ward and Other Services'. The remaining groups accounted for the rest of the workers. Neither children nor contract workers were reported to be employed in any of factories surveyed. Women were employed in about 37 per cent. of the Clothing factories and they constituted about one-fifth of the total workers. About 79 per cent. of the production workers were time-rated and the rest piece-rated. Nearly half of the production workers were permanent, about one-third temporary and the remaining one-sixth were casual workers. About 46 per cent. of the workers had put in less than one year's service as on 31st March, 1965, and only 14 per cent. had more than 10 years' service to their credit.

Measures for reducing absenteeism were reported to have been taken in about one-fifth of the units. Arrangements for training and apprenticeship did not exist in any of the units surveyed.

During the Survey, data on earnings were collected for all categories of workers covered under the Factories Act except production workers. During March, 1965, the average daily earnings of the Administrative, Executive and Managerial Personnel were the highest (Rs. 26.44), followed by 'Professional, Technical and Related Personnel' (Rs. 11.44), 'Clerical and Related Workers (including Supervisory)' (Rs. 6.36) and 'Watch and Ward and Other Services' (Rs. 3.48). The average daily earnings of all workers, based on the Payment of Wages Act returns, were Rs. 6.86 during 1965 in the Clothing Industry. Separate dearness allowance was being paid in about 14 per cent. of the units

\*Excluding those employed in defence establishments as these were excluded for purposes of the Survey.

in the Clothing Industry and in none of them was the rate linked with consumer price index number. Apart from production bonus and attendance bonus which were paid by one unit each, no other allowance was paid in any of the units. The practice of paying annual bonus was prevalent in about 36 per cent. of the units while only one-fifth of the units were reported to be paying festival bonus to their employees.

About 92 per cent. of the Clothing factories were working only one shift, 6 per cent. had two shifts and the remaining 2 per cent. had three shifts. The daily and weekly hours of work did not exceed 8 and 48 respectively in any of the units covered. Rest interval ranging from half an hour to more than 2 hours was allowed in all the factories. Seating arrangements for workers obliged to work in a standing position had been duly provided in all the concerned factories. Latrines and urinals were reported to be provided in about 94 and 42 per cent. of the Clothing factories respectively. All the factories were granting earned leave with pay to their workers while casual leave with pay was being allowed in only about 23 per cent. of the factories. Sick leave and national and festival holidays with pay were being allowed in 2 and 73 per cent. of the Clothing factories respectively. A weekly day of rest was also allowed to workers in all the Clothing factories surveyed.

Drinking water facilities were provided in about 94 per cent. of the Clothing factories. Arrangements for the supply of cooled water during summer were made in about 80 per cent. of the factories, which were under an obligation to do so. Washing facilities existed in about 76 per cent. of the factories in the country while bathing facilities were provided in only about 16 per cent. of the factories. About four-fifths of the factories, which were under a statutory obligation to run canteens for their workers, had not done so. In all, canteens had been provided in about 4 per cent. of the Clothing factories in the country. Creches were provided in all the factories employing more than 50 women. None of the factories had provided lockers. Of the factories which were required to provide rest-shelters, none had complied with the law. On a voluntary basis, rest-shelters existed in about 7 per cent. of the Clothing factories in the country.

Educational facility was almost non-existent in the Industry and recreation facilities had been provided by about 9 per cent. of the establishments.

Although all the Clothing factories had kept first-aid boxes but their contents were incomplete in about 81 per cent. of the units. The boxes were under the charge of trained first-aiders in about 18 per cent. of the units. Ambulance rooms did not exist in any of the factories covered whether obligatory or not. Residential accommodation had been provided by only one unit in the Clothing Industry to about 8 per cent. of its workers.

About 30 per cent. of the factories in the Clothing Industry had introduced some provident fund schemes for their workers and nearly 16 per cent. of the workers were members thereof. Gratuity schemes were reported to be in operation in about one-tenth of the factories. Pension schemes did not exist in any of the units covered in the Survey. During 1964, industrial accidents, all resulting in temporary disabilities, took place in about 6 per cent. of the factories and an estimated number of 14 workers

was involved in them, giving frequency rate of accidents at about 2 per thousand workers employed.

Trade unions existed in about 28 per cent. of the factories and 42 per cent. of the workers were members of the unions. Collective agreements since 1956 had been concluded in about one-fifth of the Clothing factories in the country. Standing Orders were reported to have been framed in about 16 per cent. of the factories in the country. However, of the factories under a legal obligation to frame Standing Orders, about 53 per cent. had complied with the law. Only one Clothing factory was under an obligation to appoint a Welfare Officer and it had done so. Works or Joint Committees were not formed in any of the units surveyed although about one-fifth of the Clothing factories were under an obligation to do so. A prescribed grievance procedure existed in about one-sixth of the factories. None of the factories was reported to have introduced any scheme for associating workers with the management.

Data relating to labour cost in respect of workers covered under the Factories Act, 1948, and receiving less than Rs. 400 per month as wages show that the overall labour cost per man-day worked in the Clothing Industry was Rs. 4.64 during 1964. 'Wages' i. e., basic wage and dearness allowance, incentive or production bonus and attendance bonus, alone accounted for about 92 per cent. of the total labour cost. Other main components were obligatory social security contributions, premium pay for overtime and late-shifts, bonuses and subsidies.

Salient features of the Clothing factories in the country, as revealed by the Survey of Labour Conditions, are presented in the following Statement:

#### STATEMENT 9.1

##### *Salient Features of the Clothing Industry*

Particulars							Estimates for the industry, as a whole
1							2
<b>I. Employment</b>							
<i>Total</i>	..	..	..	..	..	..	8,664*
Of which Production and Related Workers	..	..	..	..	..	..	89%
Others	..	..	..	..	..	..	11%
Women Labour	..	..	..	..	..	..	20%
<i>Production Workers (Total)</i>	..	..	..	..	..	..	7,693
Of which Time-rated	..	..	..	..	..	..	79%
Piece-rated	..	..	..	..	..	..	21%
Employed through Contractors	..	..	..	..	..	..	—
<i>Production Workers Employed Directly (Total)</i>	..	..	..	..	..	..	7,693
Of which permanent workers	..	..	..	..	..	..	50%
Workers with service of 10 years and more	..	..	..	..	..	..	14%

\*Excluding those employed in defence establishments which were excluded for purposes of the Survey.

STATEMENT 9·1—*contd.*

1	2
<b>II. Wages and Emoluments</b>	
Average daily earnings of —	
(i) All Workers (1965) .. .. .	Rs. 6·86
(ii) Professional, Technical and Related Personnel (March, 1965) ..	Rs. 11·44
(iii) Administrative, Executive and Managerial Personnel (March, 1965)	Rs. 26·44
(iv) Clerical and Related Workers (including Supervisory) (March, 1965) ..	Rs. 6·26
(v) Watch and Ward and Other Services (March, 1965) .. .. .	Rs. 3·48
Proportion of—	
Factories paying separate dearness allowance .. .. .	14%
Factories in which the dearness allowance was linked with the Consumer Price Index Number* .. .. .	—
Factories paying production/incentive bonus .. .. .	2%
Factories paying annual bonus .. .. .	36%
Factories paying festival bonus .. .. .	10%
<b>III. Hours of Work, etc.</b>	
(Proportion of)	
Factories where daily hours of work were 8 or less .. .. .	100%
Factories where weekly hours of work were 48 or less .. .. .	100%
Factories where spread-over was up to 9½ hours .. .. .	78%
Factories where rest-interval was up to one hour .. .. .	72%
<b>IV. Leave and Holidays with Pay</b>	
(Proportion of units granting)	
Earned leave .. .. .	100%
Sick leave .. .. .	2%
Casual leave .. .. .	23%
National and festival holidays .. .. .	73%
Weekly off .. .. .	78%
<b>V. Welfare and Amenities</b>	
(Proportion of units providing)	
Seating arrangements (out of those where workers had to work standing)	100%
Drinking water facility .. .. .	94%
Washing facility .. .. .	76%
Rest shelters .. .. .	7%
Canteens .. .. .	4%
Creches .. .. .	10%
Latrines .. .. .	94%
Urinals .. .. .	42%
Labour/Welfare Officers .. .. .	2%

\*Out of those paying separate dearness allowance.



STATEMENT 9·1--*contd.*

	1	2
First-aid boxes .. .. .	.. .. .	100%
Ambulance rooms .. .. .	.. .. .	—
Recreation facilities .. .. .	.. .. .	9%
Educational facilities .. .. .	.. .. .	2%
Housing facility .. .. .	.. .. .	2%
		1%*
VI. <i>Social Security</i>		
(Proportion of units having)		
Provident fund schemes .. .. .	.. .. .	30%
Pension schemes .. .. .	.. .. .	—
Gratuity schemes .. .. .	.. .. .	10%
Proportion of workers covered under Provident Fund Schemes .. .. .	.. .. .	16%
VII. <i>Accident Rate</i> (Per thousand workers employed) .. .. .	.. .. .	2
VIII. <i>Industrial Relations</i>		
Factories having trade unions .. .. .	.. .. .	28%
Proportion of workers who were members of trade unions .. .. .	.. .. .	42%
Units having concluded collective agreements .. .. .	.. .. .	20%
Factories having Standing Orders .. .. .	.. .. .	16%
Factories having Works/Joint Committees .. .. .	.. .. .	—
IX. <i>Labour Cost</i>		
Labour Cost per Man-day Worked during 1964 .. .. .	.. .. .	Rs. 4·64

\*Indicates percentage of workers housed.

## APPENDIX

### A BRIEF NOTE ON THE SAMPLE DESIGN AND THE METHOD OF ESTIMATION ADOPTED

#### 1. *Sample Design*

For the Survey of Labour Conditions, a multi-stage sampling procedure with industry as a stratum, with further regional strata for those industries which were found to be highly concentrated in particular regions or areas, was followed. The registered factories belonging to those industries for which regional stratification was found necessary were stratified and each centre or area of high concentration was taken as a separate regional stratum of the industry and the remaining scattered factories were clubbed together into a single residual stratum. Establishments in an industry/regional stratum were arranged in a frequency distribution fashion with suitable class intervals and were divided into two size-groups—large factories and small factories on the basis of an optimum cut-off point derived for each industry. The optimum cut-off point was so derived that if all the establishments in the upper size group were included in the sample, the results obtained would yield an estimate of over-all employment within 5 per cent. error at 95 per cent. confidence interval, and the sample size would be minimum. The optimum cut-off point varied from industry to industry. For the Clothing Industry it was chosen as 105 which was approximately equal to the average size of employment in the Industry. However, considering the limited resources available for the Survey of Labour Conditions and the practicability, etc., it was thought that a sample of 25 per cent. from the upper size group and  $12\frac{1}{2}$  per cent. from the lower size group would yield reliable results. However, the experience of earlier Surveys had shown that due to (i) non-availability of very recent frame, (ii) closures, and (iii) units changing their line of production, considerable shrinkage had occurred to the desired sample size. Hence it was decided that for taking into account such closures etc., the required sample size should be increased to allow for the above mentioned shrinkage. Since the sample size in respect of almost all industries had been inflated to safeguard against shrinkage due to closure of units etc., substitution was resorted to only in case of abnormal closures of units, in the manner explained below—

I. In case of such industries where the sample size had not been inflated substitution was done to replace sampled units found closed.

- (a) If the number of sampled units was 5 or less in size class of a particular industry/stratum; or
- (b) The number of units found closed, etc., was more than 1 in a sample of 6 to 10 units of size class of particular industry/stratum.
- (c) In cases where the sample size was more than 10 units, substitution was made when the extent of closures was 50 per cent. or more.

II. For industries where the sample size had already been inflated substitution was done only if the extent of closures was 50 per cent. or more irrespective of the size of the sample unless such a high rate was already noticed in the Second Occupational Wage Survey and consequently taken into account in fixing the sample size.

The ultimate sampling units, namely registered factories, within an industry/regional stratum were arranged by contiguous States and within each State by contiguous districts in a serpentine fashion so the districts formed a continuous chain from one State to another. Having arranged the list of units in the above manner, the units above the optimum cut-off point were taken in the upper size class and the rest in the lower size class. From these size-groups, the required number of units were selected by systematic sampling with a random start. The frame on the basis of which the sample was selected in the case of clothing factories was the list of registered factories for the year 1963.\*

## 2. Method of Estimation

In the course of the Survey, various characteristics were studied, some of which were correlated with employment whereas there were others which were not correlated with employment but with the number of establishments. Consequently, two different methods were used for working out estimates.

For estimating the totals of those characteristics which are highly correlated with employment such as labour cost, etc., ratio of total employment was used as the blowing up factor. For estimating the totals of those characteristics which are not correlated with employment such as, number of units providing certain welfare facilities, etc., the ratio of units was used as the blowing up factor. Estimates of percentages have been arrived at by computing in each case the ratio of the estimates of the totals for the two characteristics involved.

More precisely, in any stratum the estimate for the total of  $X$  characteristic not correlated with employment has been obtained as:—

$$X = \frac{N_u - N'_u}{n_u - n'_u} \sum_i X_{iu} + \frac{N_l - N'_l}{n_l - n'_l} \sum_i X_{il} \text{ ————— (i)}$$

The summation extending over all the sampled units surveyed in the stratum.

Where  $X$  = the estimated total of the  $X$ -characteristic for a particular stratum.

$N_u$  and  $N_l$  = the number of units in the original population as featuring in the 1963 list, which was used as frame, in the upper and lower size groups respectively of the stratum.

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\*For Andhra Pradesh and Maharashtra list relates to the year 1962.

- $N'_u$  and  $N'_l$  =the number of units which featured in the 1963 list but were not featuring in the list relating to the period more or less coinciding with the period of the Survey in the upper and lower size-groups respectively of the stratum.
- $n_u$  and  $n_l$  =the total number of units in the sample (from 1963 list) in the upper and lower size-groups respectively of the stratum.
- $n'_u$  and  $n'_l$  =the number of sampled units, which were found at the time of the Survey to be closed or to have changed the line of production and hence left out in the upper and lower size-groups respectively of the stratum.
- $X_{iu}$  and  $X_{il}$  =The total of the characteristic X in the  $i$ th sample unit of the upper and lower size groups respectively of the stratum.

In any stratum/industry the estimate for the characteristic Y correlated with employment is given by :

$$Y = \frac{E_{Nu} - N'_u}{E_{Nu} - n'_u} \sum_i Y_{iu} + \frac{E_{Nl} - N'_l}{E_{Nl} - n'_l} \sum_i Y_{il} \dots \dots \dots (ii)$$

The summation extending over all the sampled units surveyed in the stratum.

Where Y = the estimated total of the characteristic Y for a particular stratum.

$E_{Nu} - N'_u$  and  $E_{Nl} - N'_l$  =the total employment in 1963 in  $N_u - N'_u$  and  $N_l - N'_l$  units respectively, of the stratum.

$E_n - n'_u$  and  $E_n - n'_l$  =the total employment in 1963 in  $n_u - n'_u$  and  $n_l - n'_l$  sampled units respectively of the stratum.

$Y_{iu}$  and  $Y_{il}$  =the total of characteristic Y in the  $i$ th sample unit of the upper and lower size groups respectively of the stratum.

The totals for an industry are obtained by summing up the totals obtained on the basis of the above formulae for each one of the strata of an industry.



